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ABSTRACT

Part 2 of the second volume in a four volume collection, this document addresses income and employment, food stamps, economic development programs, and the work force. Listings included here are theories of unemployment; the food stamp program; the use of Economic Development Programs as antipoverty measures; the Rural Development Insurance Fund; age and sex distribution of the U.S. work force 1900-1970; a profile of the work force and its environment; and women in the work force. (Author/AM)

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Collected Papers on Poverty Issues

DORIS YOKELSON, editor

Volume II:
Aspects of Low Income in America

Part 2

chapters by
FRANK E. ARMBRUSTER
BASIL J. CANDELA
LAWRENCE GOLDSTONE
PETER KARSTEN
JOYCE LIND
JANE NEWITT
WILLIAM H. OVERHOLT

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IN THE PUBLIC INTEREST

Hudson Institute

Quaker Ridge Road, Croton-on-Hudson, New York 10520
1 Rue du Bac, Paris 75007, France
1-11-46 Akasaka, Minato-ku, Tokyo, Japan

COLLECTED PAPERS ON POVERTY ISSUED

Edited by
Doris Yokelson

VOLUME II:

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TABLE OF CONTENTS

VOLUME II:
ASPECTS OF LOW INCOME IN AMERICA

PART 1

A. HOUSING

Page

1. "Federal Policies for Low-income Housing" by Ronald D. Westby 1
   Appendix A: "Comments on the 1970 Housing Census" by Barry Bruce-Briggs. 80
   Appendix B: "A Statistical Description of Housing, 1970" by Ronald D. Westby 85
   Appendix C: "Race and Housing: An Opinion Analysis" by Paul M. Bunge 122
2. "The Future Supply of Housing" by Lawrence Mock 137

B. HEALTH

1. "Nonaffluent Behavior and Attitudes Related to Health and Well-being" by Jane Newitt 161
2. "Medicaid: Costs, Coverage and Selected Issues" by Esther Adam 203
3. "The Neighborhood Health Center: Is Limelight Conducive to Growth" by John Lucas Jr. 233
4. "An Impressionistic Survey of Neighborhood Health Centers" by John Lucas Jr. 251

C. CRIME

1. "Crime and Poverty" by Richard W. Richardson with contributions by Katherine Roberts 295

D. ENERGY

Page

1. "The Effects of the Rising Costs of Energy on the Poor" by Basil J. Candela 337

2. "The Effects of the Energy Crisis on the Poor--the Bright Side" by Frank Armbruster 383

PART 2

E. INCOME AND EMPLOYMENT

1. "Theories of Unemployment: A Preliminary and Amateur Overview" by William H. Overholt 391

2. "Nonaffluent Income and Employment: Characteristics and Attitudes" by Jane Newitt 421

F. FOOD STAMPS

1. "An Overview of the Food Stamp Program" by Basil J. Candela 499

G. ECONOMIC DEVELOPMENT PROGRAMS

1. "Economic Development Programs as Anti-poverty Measures by Lawrence Goldstone 545

2. "The Rural Development Insurance Fund: Another Evaluation-free 'Anti-poverty' Program" by Peter Karsten 593

H. THE WORK FORCE

1. "Age and Sex Distribution of the U.S. Workforce, 1900-1970" by Jane Newitt 599

2. "A Profile of the Work Force and Its Environment" by Frank Armbruster. 619

3. "Women in the Work Force" by Joyce Lind 719

HI-2277-RR

PREFACE TO COLLECTED PAPERS ON POVERTY ISSUES

Collected here, in four volumes, are numerous drafts, papers and reports that were written during the two years from June 1973 to June 1975 by the professional staff and consultants of the Hudson Institute working under a grant from the Office of Economic Opportunity. At the time the papers were written, the idea of putting together this anthology had not yet been born; nor were the authors writing with any particular attempt to relate each paper to the other by any consistent point of view, outcome, or style of writing. This approach is basic to the work of the Hudson Institute; and it was conceived to give rise to a freer and more creative expression of variations in thought about extremely complex issues. This collection retains this characteristic: no attempt was made to edit it into a tight uniformity or to change the individual approach.

Many of the papers are in the form in which they originally appeared as Hudson Institute drafts; others were revised, condensed, updated or extracted from longer reports. Some important subject areas, such as education, are not included in this anthology, as the reports are to be issued separately.

It is hoped that this collection will prove useful to anyone who is approaching the question of poverty either as a novice or as one who has grappled with its problems for many years. Volume I considers American poverty problems and policies of the past, present and future; the philosophical and historical perceptions of poverty, income and income redistribution; the measurement and reduction of poverty; and the workability of some income redistribution programs. Volume II views aspects of low income in America: chapters include the areas of income and employment, the work force, housing, health, crime, food stamps, energy and economic development programs. An examination of public attitudes toward poverty and the characteristics of the poor and near-poor makes up the entire Volume III. The sections of this volume cover both the extent and depth of the American public's support for domestic social welfare programs and the social, moral and economic attitudes of the poor and near-poor. The International volume, Volume IV, which contains chapter studies of poverty and social welfare programs in five West European countries, Canada and Japan, was conceived as an instrument for broadening our own perceptions, here at the Institute, of worldwide problems and solutions; and it is being passed on to you with the same intention. As with all the chapters in this collection, no solutions have been offered; but many problems have been raised, issues sorted out and elucidated, often in new ways, and recommendations suggested.

Doris Yokelson

INCOME AND EMPLOYMENT

"Theories of Unemployment: A Preliminary and Amateur Overview"

by

William H. Overholt

This chapter was originally issued as a
Hudson Institute Discussion Paper, HI-2174-DP,
dated January 1975.

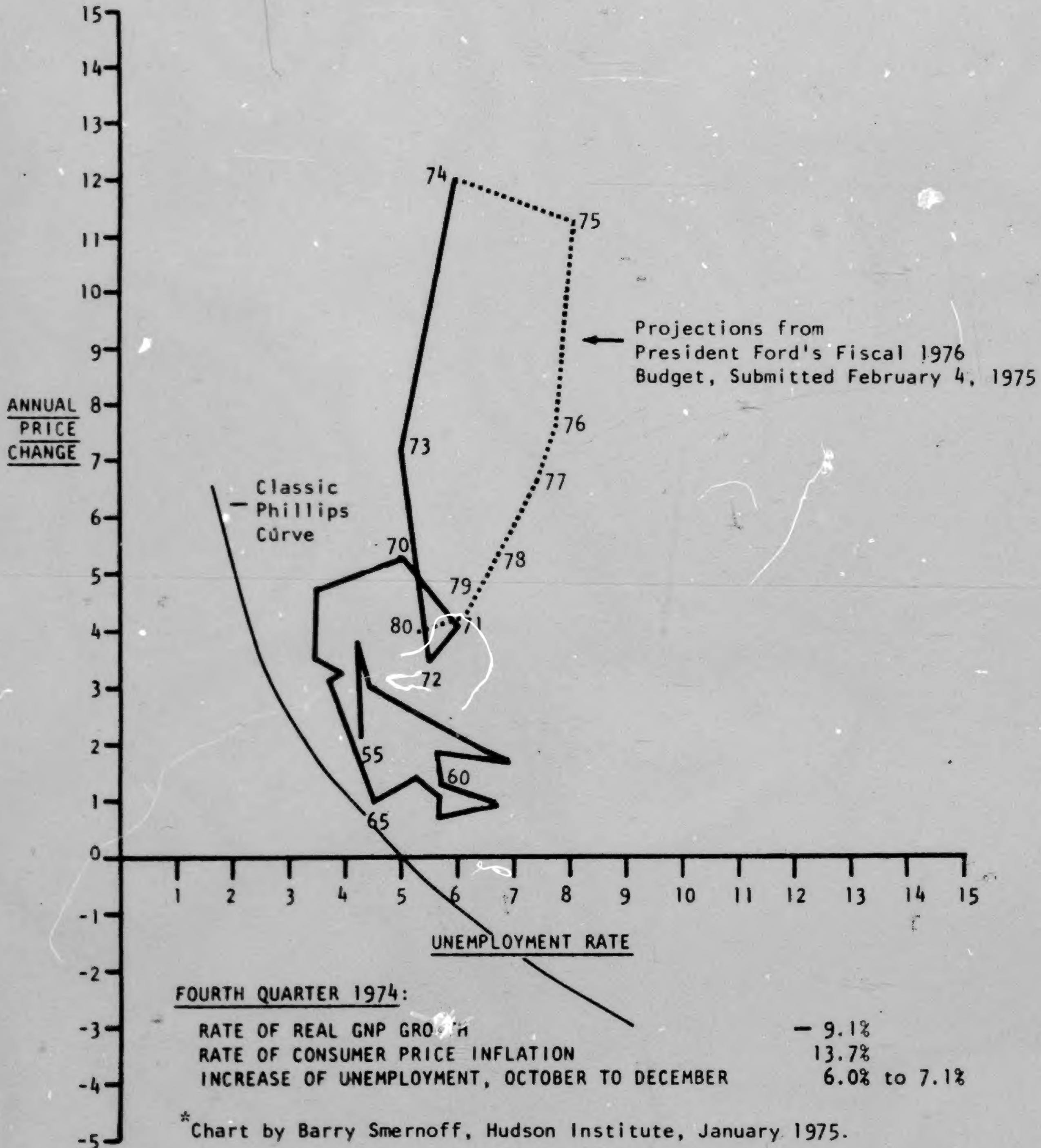
THEORIES OF UNEMPLOYMENT: A PRELIMINARY AND AMATEUR OVERVIEW

This paper is a political sociologist's initial foray into the literature on unemployment, a realm traditionally considered to be the exclusive habitat of professional economists. The paper makes no claim to comprehensiveness or professionalism in this field. There are two justifications for doing such a paper. First, it is intended primarily to spark the imaginations of those who will look at the subject more thoroughly. Second, an outsider's impressions can frequently prove useful, particularly in a specialty suffering such disarray as employment theory, and particularly in a discipline like economics which carries to extreme the maintenance of internal rigor through extreme theoretical assumptions and narrow disciplinary focus.

The disarray of this field is attested to by the failure of policies based on modern economics and by the failure of some of the most important aspects of economic theory even to explain what has happened in the past. The 1960s provided a grand stage upon which the macroeconomic fiscal policies and microeconomic training programs prescribed by classical economic theory could be tried. Although there were some benefits from such programs, there is a widespread consensus that they did not live up to their promise. A second indicator of theoretical disarray is provided by Figure 1, which displays, first, the Phillips curve which should describe the relationship between inflation and employment according to conventional economic theory, and, second, the actual relationships between these two variables over recent years. To be sure, the Phillips curve depends upon a _ceteris paribus_ assumption which is not at all fulfilled by economic conditions of

Figure I

TIME PATH OF THE AMERICAN ECONOMY: 1955-1974*



FOURTH QUARTER 1974:

RATE OF REAL GNP GROWTH	− 9.1%
RATE OF CONSUMER PRICE INFLATION	13.7%
INCREASE OF UNEMPLOYMENT, OCTOBER TO DECEMBER	6.0% to 7.1%

*Chart by Barry Smernoff, Hudson Institute, January 1975.

the last few years, but nonetheless the disparity between the two curves seems sufficiently dramatic to justify questioning the applicability of a Phillips curve assumption.

The second reason for having an outsider look at this field also requires comment. Every intellectual discipline becomes incestuous and develops traditions about what is to be included and what is to be excluded from analysis. Economics has reached the position of queen of the social sciences, in terms of internal rigor and in terms of the degree to which it can give precise answers to questions once the values of certain variables are specified. But it has attained this enviable position by being more rigorous than almost any other discipline in what it excludes from consideration. Economics succeeds most when it is closest to a sophisticated system of accounting, as in much of international economics, and it succeeds least when it attempts to address broad questions which depend upon the intricacies of politics and social structure and organization, as in economic development theory. Increasingly, questions of organization, of morale, of social structure, and of politics impinge on economic problems, because the attention of policy makers has shifted toward complicated problems like long-term economic development and also because all aspects of society, including such economic aspects as industrial structure and labor market structure, are subject to rising organization and rising political regulation.

An analogy with physics might be helpful here. It is always fair for a physicist to write an equation of the effects of gravity on a falling body, ignoring air friction for heuristic purposes, but it would be quite another thing for him to describe the motion of a real object in the neighborhood of large masses by a series of equations which completely ignored the influence of gravity. One of the questions which one must ask about modern economics is whether it is more like the physics which ignores air friction temporarily and for heuristic reasons, or whether it is like the physics which ignores the effects of gravity altogether. More specifically, where it was once justified in many markets to describe firms as atomized and in perfect competition, in recent years economics has had to create a distinct specialty dealing with oligopoly because of changes in the degree and scale of organization within many markets. What is today referred to as the "orthodox" theory of labor markets corresponds to the old Adam Smithian view of perfect competition among innumerable small firms. More recent theories seem to be nudging toward the equivalent of concepts of oligopoly for labor markets, but with only partial success and with considerable hostility from much of the economics profession and others, because of the language and tone with which many of the newer concepts are presented.

This paper will emphasize summarizing and commenting upon differences among several theories of unemployment; but there exists a basic core of largely undisputed conclusions which is worth identifying at the outset. First, experience with the failure of macroeconomic policies to achieve hoped-for degrees of employment and especially desired degrees of employment among particularly underprivileged groups--has led to a conclusion that "expansionary macroeconomic policy cannot be relied upon to achieve the desired reduction in [permanent] unemployment."[*] A second conclusion is that formal education provides little leverage over unemployment. Unskilled jobs require little formal education and thus formal education has little effect on unemployment among the unskilled. Most skilled jobs require skills which are acquired over long periods on a job and formal education helps little in attaining such skills. Many of the problems of the unemployed are essentially problems of behavior and style of life. And these are changed little, if at all, by either formal training or short periods of on-the-job-training. Also, most vocational training has consisted of vocational training for relatively menial and low paid jobs and therefore has not greatly benefited the unemployed.* (Cf. Chart I.) A third major conclusion is that the hard core of unemployment in the United States is concentrated among the single, the young, the female, the black, and the elderly rather than among married, white, middle-aged men. A fifth is that, except in periods of necessity, most of the unemployment among the former consists of short-term unemployment and unemployment resulting from quitting unsatisfying jobs. Sixth, the present welfare, unemployment, and tax systems operate to subsidize excessively long unemployment, to encourage exaggeration of the cyclical behavior of employment in certain industries, to encourage the obtaining of illegal sources of income, and--through minimum wage provisions--to discourage the development of apprentice systems which would pay exceedingly low wages in return for teaching valuable skills.** Seventh, "cities in which the contract-construction, manufacturing, or retail

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[*] Martin Feldstein, "The Economics of the New Unemployment," The Public Interest, No. 33 (Fall 1973), p. 4.

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*Barry Bluestone, William M. Murphy and Mary Stephenson, Low Wages and the Working Poor (Ann Arbor, Michigan: Institute of Labor and Industrial Relations of the University of Michigan and William State University, 1973).

**Feldstein, op. cit.

CHART I

"...as a short-run antipoverty policy instrument, education without a supply of jobs which utilize and reward the capabilities of ghetto workers is unlikely to have much impact. The prevalence of ghetto unemployment, involuntary part-time employment, and substandard wages, in conjunction with these new findings on nonwhite educational attainment and the recent studies of the relatively modest technical skills required for the "average" performance of an extremely broad range of "typically urban" jobs, strongly suggests that existing urban labor markets under-utilize ghetto workers and do not permit these individuals to realize their potential productivities. If this interpretation is correct, then the remedy must be sought in opening up new urban job markets to the ghetto poor, markets whose jobs are physically accessible to ghetto residents, whose availability is made known to them, and whose entry level wages and promotional possibilities will in fact lead to a significant improvement in their levels of living.... Without a direct transformation and augmentation of the demand for their labor, significant improvement in the economic situation of ghetto dwellers is unlikely. Attempts to change the worker himself--whether to remedy his personal "defects" or to move him to a "better" environment--have not worked..."

SOURCE: Bennett Harrison, "Education and Unemployment in the Urban Ghetto," American Economic Rev. p. 811.

sectors of the local labor market dominate are likely to have relatively less employment stability."[*]

Finally there seems to be at least an emerging consensus around a central heuristic point, namely that unemployment should be examined as part of a congeries of related issues. These include (1) unemployability because of lack of skills or because of inappropriate attitudes; (2) lack of jobs despite presence of skills; (3) lack of mobility, including (a) inadequate access to jobs despite skills; (b) inadequate opportunity to acquire skills through formal education or on the job training, complicated by the rising importance of on-the-job skills and the declining discipline and adequacy of formal education; (4) unstable employment due to behavior, or due to job characteristics, or due to a vicious circle created by the interaction of behavior and job characteristics; and (5) low pay which is inadequate to support the worker or his family. More succinctly, the congeries consist of unemployment, intermittent employment, inappropriate or unattractive employment, and insufficiently lucrative employment.

A second area of heuristic consensus is that the employment problem is essentially divided into two categories. First, there are the problems of unemployment due to the cyclical nature of certain industries or to the business cycle in the economy as a whole. These employment problems can be addressed through macroeconomic policies and through national level policies addressing the problems of certain industries such as the housing industry. But there is a second category of unemployment, the hard-core unemployed or sub-employed, which presents much more complex and controversial problems.

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[*] Stanley L. Friedlander, Unemployment in the Urban Core (New York: Praeger, 1972), p. 30.

As one moves beyond these and a few other agreed conclusions, one finds several competing broad theories of employment and unemployment. These have been most skillfully compared by David M. Gordon in his book, Theories of Poverty and Underemployment,* a book which everything that follows will lean heavily upon. The three alternative approaches (or theories, or what Gordon claims to be paradigms) are the orthodox, the dual labor market, and the radical theories. The characteristic assumptions and conclusions of these theories are outlined in Chart II and discussed below.

The orthodox theory of employment is the analogue of the Adam Smith theory of the market for goods. The labor market is regarded as consisting of a fixed hierarchy of jobs requiring given sets of skills. Workers constitute a continuous group atomized into competing and unorganized individuals who possess more or less of the required skills and whose possession or non-possession of the relevant skills is easy to determine. These workers compete for jobs in a perfect market which adjusts automatically--so that if, for instance, more skilled workers become available at a time when demand for them remains constant, their wages will decrease immediately. Because of competition among firms to keep prices down, and because of competition among workers for jobs, wages are driven down to the marginal productivity of the workers; and because of competition among firms for workers, wages are driven up to equal marginal productivity. If a worker's skill rises, his productivity will rise and with it his wages.

There is little doubt that the model of an atomized and relatively homogeneous labor market exists only in textbooks, just as the perfect market for most goods exists only in textbooks. Much of American industry

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*(Lexington, Mass.: Lexington Books, 1972).

CHART II

CHARACTERISTIC ASSUMPTIONS OF THEORIES OF UNEMPLOYMENT

ORTHODOX	DUAL	RADICAL
One labor market/no classes	Two markets/distinct classes/deemphasis of conflict	Many classes/emphasis on class conflict
Wage = marginal productivity	Wage = marginal productivity only in primary market	Wage = f(productivity, class power)
Automatic market adjustment (e.g. more skilled workers implies lower wages)	Lumpiness	Lumpiness and power may dominate market considerations
Job characteristics and hierarchies fixed --institutional structure fixed	Institutional structure arbitrary, except in terms of history	Institutional structure resulting from historical dialectic of classes
Uniformity, continuity, atomization	Market discontinuity, isolation, lack of ladders out of secondary market	Multiple, conflicting class struggles
Generalized concept of skills	Skills tied to specific job experience	Same
Discrimination implies inefficiency implies loss of competitiveness implies breakdown of discrimination	Secondary labor market self-isolating and self-maintaining, so discrimination persists	Class conflict and upper-class control of government maintain discrimination
Emphasis on skill	Emphasis on behavior (reliability)	Emphasis on power
Skill determines wages and jobs; education as provider of skills rather than of ascriptive qualities	Education and skill irrelevant in secondary market	Relevant skill levels difficult to identify; therefore heavy reliance on race, sex, class characteristics
Comparative statics	Ambiguous, but emphasis on institutional evolution and change	Historical development
Market determination	Market determination and institutional evolution	Historical class conflict, employer manipulation of classes and government, market

is characterized by oligopoly, and much of the labor market displays a similar lumpiness. The distinctiveness of the non-orthodox theories of employment and unemployment derives from the way they describe this lumpiness and from the kinds of interpretive superstructures they build around their description of lumpiness.

Crucial to the orthodox model is the concept that the whole market responds in basically similar ways to similar pressures and policies.*
A crucial consequence of the model of the economy as lumpy is generally to argue that different lumps behave in different ways. For instance, it is customary for a Phillips curve representing tradeoff between employment and inflation to be drawn for the entire economy. But suppose one looks separately at (1) highly-skilled, non-interchangeable, professional jobs for which a great deal of formal education is necessary, (2) relatively interchangeable managerial jobs, (3) blue-collar jobs, and (4) marginal ghetto jobs. Clearly each one of these markets has an entirely different Phillips curve. Pumping up the whole economy may well increase employment in the blue-collar sector, but merely push rapid inflation in the highly skilled non-interchangeable professional jobs, and perhaps leave whole categories of marginal ghetto jobs completely unaffected by general pumping up of the economy. Therefore, even on the terms of a relatively orthodox perspective, it is clear that thinking in terms of a single unified economy which responds in fairly uniform ways to fiscal and monetary policies is misleading. Even from this relatively orthodox perspective, it is immediately clear that pumping up the economy could, depending upon the distribution of the various groups, stimulate great inflation without relieving key pockets of unemployment. Even if each sector follows the same basic

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*Gordon, op. cit., 34ff.

economic rules, the rules will operate more powerfully in some sectors than in others and with various degrees of leads and lags in time.

The dual labor market theory goes well beyond this latter possibility to suggest that, in effect, there are two quite separate labor markets which operate according to quite different rules and which maintain their different rules because there is little mobility between them. The basic characteristics of the _primary_ market, in which the majority and the more well-to-do portions of the workers participate, is described by the dual labor market theory as operating according to the orthodox rules described above. But according to this theory, there is a distinct _secondary_ labor market of sufficient size, sufficient humanitarian concern, and sufficiently distinctive rules that it requires treatment by a distinct theory. This secondary labor market is the labor market of the ghetto, of the inner city, of the poor who have no hope of improvement. The distinctive characteristics of this market are based upon its distinctive worker attitudes and job characteristics. As David Gordon puts is, "[T]he dual labor market distinction between primary and secondary markets...focuses on the difference between stable, persistent, persevering working attitudes, behavior, and relations of production in the former market and unstable, intermittent, capricious working behavior, attitudes, and relations of production in the latter."* The laborers within this market are those with low skills, low morale, low reliability, and high rates of quitting. The jobs of these men mirror, reinforce, and at least sometimes cause, this kind of behavior; they are menial jobs like dishwashing and janitorial services, which pay low wages, which do not reward higher skills, which do not offer opportunities for promotion, and which are available only erratically. The firms in which these jobs occur are generally characterized by undercapitalization, archaic technology and poor management. These basic differences are outlined in Chart III.

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*Gordon, _op_. _cit_., p. 33.

There is, in effect, a sharp barrier between the secondary labor market and the dual labor market, because the attitudes and lack of skills of the workers in the secondary labor market make them unemployable in the primary labor market and because the jobs available in the secondary labor market tend to reinforce the worst aspect of secondary workers' attitudes. Men inured to low pay, to intermittent work, and to lack of rewards for acquisition of skills are systematically deprived of incentives to climb into the primary labor market. Moreover, because they are so poor they cannot afford to invest in training, and because the businesses they work for are so poor the businesses cannot afford to invest in worker-training. Finally, the workers in this market tend to be distinctive in age, race, sex and lack of group cohesion, and are in effect stigmatized by these distinctive characteristics because primary market employers come to associate youth, blackness, and so forth, with the shiftless habits of the secondary market.

The dual labor market hypothesis is several centuries old. What is now called the secondary labor force corresponds roughly to what was referred to a century ago as the lumpenproletariat. The lumpenproletariat was held to possess certain special characteristics. It consisted of unemployed or underemployed people and their families and was widely characterized as consisting of shiftless individuals lacking special skills. It was a group of isolated individuals without the sense of common problems, common purpose, communications, and organizational talent requisite to formation of a union or an organized political force. The lumpenproletariat was viewed variously as the undeserving dregs of society and as

CHART III

THE "DUAL LABOR MARKET" IS DUAL IN:

A. Job characteristics in secondary market
  1. Instability
  2. Low wages
  3. Menial tasks
  4. Absence of opportunity for promotion

B. Worker attitudes and skills in secondary market
  1. Low skills
  2. Low morale
  3. Low reliability

C. Worker characteristics in secondary market
  1. Age
  2. Race
  3. Sex
  4. Education as multiplier of productivity vs. as gate keeper and maintainer of class privilege
  5. Class cohesion

D. Industry characteristics in secondary market
  1. Poor management
  2. Archaic technology
  3. Under capitalization

E. Labor market behavior
  1. Secondary labor market unresponsive to marginal differences or worker education
  2. Secondary labor market unresponsive to tenure or experience or stability record

F. Low mobility between primary and secondary sectors the unfortunate victims of society's structural inadequacies. Thus the dual market theory simply adds a new term for an old and well-understood concept. To the extent that the problems of the secondary labor market consist of lack of political power it will prove exceedingly difficult to solve that problem by direct means. The lumpenproletariat is inherently unorganizable, as radial organizers of the last century and a half have invariably commented. Programs designed to be based on organizations representing these groups have tended to become new forms of explcitation by radical political organizers and by more organized, more affluent members of political organizations using the funds and political influence for their own purposes.

Feldstein argues that the problem within this secondary labor market is not lack of jobs but lack of attractive jobs.

> There is no evidence of a shortage of jobs for [low-skilled adult workers]. The Boston experience shows that jobs can be found but that they will not be accepted. Lowering the rate of unemployment requires steps to bring the characteristics of the actual jobs and the standards of the acceptable jobs closer together.*

Feldstein goes on to argue that macroeconomic policy is unlikely to enhance the attractiveness of available jobs by raising their wage rates because a "nearly three-fold increase in voluntary withdrawal from the labor force occurred during a 25-year period in which wage rates rose nearly 50 percent."

Public policy seems in many cases to promote or at least facilitate continuation of the characteristic attitudes and behavior of the secondary labor market. A combination of unemployment benefits, welfare payments, tax reductions, and so forth, make unemployment frequently almost as lucrative as employment, thus providing incentive for workers to quit jobs more frequently, to search for jobs less enthusiastically, to deliberately prolong their periods of unemployment and to increase the minimum standards of the kinds of employment they will accept. Feldstein shows that even in the primary sector, the current system of unemployment benefits, welfare and tax breaks makes it pay for a worker to remain unemployed much longer in order to wait for a job with five-percent better wages. The most dramatic evidence of this situation is a new phenomenon he cites of inverse seniority in which workers with greater seniority demand the right to be laid off first so that they can enjoy the vacation and other benefits that come from being unemployed. He does not, however, provide data on how widespread such a system is or on what variations and conditions would reverse the incentive to a more socially acceptable situation. Chart IV, which is a quotation from Feldstein's article, provides dramatic evidence for his argument. Feldstein also argues convincingly that "because the price of unstable labor has been artificially subsidized, employers organize production in a way that makes too much use of unstable employment."* He goes on to cite evidence from the British experience that changes in the direction of the American system tend to cause dramatic increases in unemployment--in large part because employers and employees are not forced to pay the full cost of unemployment compensation. When one adds to these influences the well-known effects of the aid to dependent children program, the restrictive membership conditions of the unions which serve as barriers to entry into the primary markets and the fact that "federally supported and widely publicized attempts to open up existing urban labor markets to minorities have not been particularly successful,"** one obtains a convincing picture of a self-maintaining secondary labor market which keeps a substantial minority of the population in inescapable poverty.

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*Op. cit., p. 33.

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*Ibid., 34.

**Bennett Harrison, "Education and Unemployment in the Urban Ghetto," American Economic Review, p. 811.

CHART IV

Consider a worker in Massachusetts in 1971 with a wife and two children. He earns $500 per month or $6000 per year if he experiences no unemployment. She earns $350 per month or $4200 per year if she experiences no unemployment. If he is unemployed for one month, he loses $500 in gross earnings but less than $100 in net income. How does this occur? A reduction of $500 in annual earnings reduces his federal income tax by $83, his Social Security payroll tax by $26, and his Massachusetts income tax by $25. The total reduction in taxes is $134. Unemployment compensation consists of 50 percent of his wage plus dependents' allowances of $6 per week for each child. Total unemployment compensation is therefore $302. This payment is not part of taxable income. His net income therefore falls from $366 for the month if he is employed (i.e., his $500 gross earnings less $134 in taxes) to the $302 paid as unemployment compensation. The combination of taxes and unemployment compensation imposes an effective marginal tax rate of 87 percent--i.e., the man's net earnings fall by only 13 percent of his gross pay ($64) when he is unemployed for a month. The same very high marginal rate continues for several more months. If he returns to work after one month, his annual net income is only $128 higher than if he returns after three months. Moreover, part of this increase in income would be offset by the cost of transportation to work and other expenses associated with employment.

If the man does not become unemployed but his wife loses her job, the implied marginal rate may be even higher. If she is unemployed for three months, her gross earnings fall by $1050 but the family's net income may fall by only $72. The fall in earnings reduces taxes by $297 while the unemployment compensation provides $525 in regular benefits and an additional $156 in dependents' benefits. The effective marginal tax rate is over 93 percent. If the family has three children instead of two, the family's net income is actually higher if the woman is unemployed for three months than if she works for that period.

SOURCE: Martin Feldstein, "The Economics of the New Unemployment," The Public Interest, No.33, Fall 1973, pp. 3-42.

The Research Center for Economic Planning has argued in a proposal that the unfortunate effects of current public policies go much further. They argue that welfare subsidizes the persistence and expansion of the secondary labor market, and by doing this causes all of the ills of the modern inner city. According to them "...public welfare is nothing but a system of indirect payroll subsidies to backward, undercapitalized and poorly managed firms and activities which persist in those lines of business that could do without high levels of technical skills." Therefore "welfare keeps the secondary labor market going, yet it keeps it going not at decent family living levels but on the same footing of bare survival, destitution and permanent crisis which is the mark of a secondary labor market as a whole."[*] This, they argue, leads to "family disorganization, ill health, mental breakdown, drug addiction, violence, criminality, educational failure, housing collapse, welfare explosion, inner city fiscal crisis, social-political confrontation."[**] If such an indictment means anything more than the more carefully measured statements cited previously, and it certainly seems to, then what it amounts to is an extreme single factor analysis of a very complex situation. Certainly welfare, aid to dependent children, and unemployment benefits tend to prolong periods of unemployment, to facilitate family breakdown, and to subsidize an inefficient, backward sector. But the serious economist must always react to the allegation that a system is good or bad with the response "Compared to what?" Would removal of the welfare system create primary market jobs for these people? Would it stimulate greater interest in acquiring primary market skills and attitudes, or would it provoke the burning down of American cities? Would small changes, or alternative systems, take care of the needy without subsidizing a backward sector? Isn't it perhaps better to subsidize job creation in a backward sector rather than leaving people completely unemployed?

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[*] Research Center for Economic Planning, Project No. 1-R01-MH32615-01, "Earned Family Incomes and the Urban Crisis," p. 14.

[**] _Ibid._, p. 15.

A more systematic approach to this problem might begin with an indirect theoretical argument. The concept "secondary labor market" is a misnomer. The entire theory is not about a labor market per se but about a backward sector of the economy. Thus the theory refers not only to work habits and menial unstable job requirements but also to archaic technology, poor management, undercapitalization, and so forth (Chart III).

The concept of a dual economy automatically recalls to mind the dual economy concept from the economic development literature. In the literature on underdevelopment, the dual economy is a small, modern sector surrounded by a huge underdeveloped sector. By contrast the dual-economy problem in the United States is one of a small underdeveloped sector surrounded by vast modern sector. Despite these crucial differences there are some important similarities in both kinds of dual economies. The underdeveloped sector includes people with a peculiarly unmodern sense of time, of discipline, and of the value and meaning of work. In both cases there are major differences in the kinds of organizational structures that are characteristic of the two sectors. Families, businesses, and relationships with the government are very different in the two sectors, and these structures interact with one another to maintain existing arrangements within each sector. These analogies should mean that development economics has a great deal to tell us about the problems of employment and of general modernization in the secondary economy. Regrettably, it may on the contrary be true that, whereas one wishes that the great successes of development economics could be reflected in great successes in the ghettoes, actually our inability to cope with ghetto problems may reflect parallel inability to deal with the real issues of economic underdevelopment. Neverthelesss a systematic effort to learn important lessons from the dual economy literature might prove worthwhile.

The scope of this paper does not permit such an exploration, but it may be worthwhile to suggest one route of exploration. The literature of development economics includes a systematic examination of the self-maintaining characteristics of the underdeveloped sectors of Third World economies. These self-maintaining characteristics are described in terms of "vicious cycles of underdevelopment."* For instance, national poverty implies a low standard of living, which implies low savings and investment, which implies undercapitalization, which implies low technology, which implies national poverty. Clearly a similar set of vicious cycles exists in the ghettoes. There is a literature on how to break up these vicious cycles, discussing, for instance, whether balanced development or unbalanced development is most effective.** Parallel questions in the ghetto are whether one should try to emphasize a policy dealing with one key factor, or whether one should attack all the items in the vicious cycle at once. I shall not try to answer these questions, or even to diagram the lengthy lists of vicious cycles which could be analyzed, but it seems important to suggest taking advantage of the possible cross-fertilization that could occur between economic development studies and inner-city poverty studies. Certainly the vicious-cycles model, within which welfare inadequacies are simply one link in a larger chain or interlocking set of chains, seems more appropriate than the single-factor theory that welfare is the cause of all social ills.

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*Richard Gill, Economic Development: Past and Present (Englewood Cliffs: Prentice Hall, 1964), pp. 27-31.

**For one example cf. Albert O. Hirshman, Strategy of Development (New Haven: Yale University Press, 1958).

One of the great virtues of the dual labor market theory is that, like economic development theory, it is willing to confront some sociological variables, abandoning the narrowness of classical economics but also some of its precision. It considers the effects of job characteristics on personality characteristics and even argues that stable employment opportunities would encourage adolescent youth to marry and settle down more rapidly, thus solving other social problems.* This willingness of dual economy theorists will be denounced vigorously by traditional economists as a loss of rigor, but for policy purposes the dual economy theory really does not go far enough. The systematic analysis of other social and even political variables is required for serious study.

To what extent does the social life of the inner city reinforce the characteristics of the secondary labor market and the workers in it? How is sub-employment related to broken families? What determines migration out of the geographical concentration of the secondary economy? Is mobility out of the secondary economy enhanced by massive busing of laborers as well as school children, or is it enhanced by facilitating further concentration of that economy in order to stimulate political cohesion? Is the secondary economy best absorbed into the primary economy through what has been called "creaming," that is through facilitating the transfer of the best workers into the primary economy and thereby reducing the scope of the problem, or does removing the best man deprive the community of leadership and of examples of success? No policy questions could be more crucial than these, yet neither orthodox nor dual labor market theory addresses them.

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*Peter B. Doeringer and Michael J. Piore, "Unemployment and the Dual Labor Market," The Public Interest, No. 38 (Winter 1975), pp. 74-75.

Whereas the orthodox theory treats the labor market as a single unit and the dual market theory treats it as two distinct units, it is clear that there are more than two lumps in the labor market. There are divisions among creative primary work, routinized primary work, and secondary work, and major divisions within each of these. Moreover, crucial aspects of the structure of the overall labor market are determined by competition among these groups, both in such direct forms as demand for equal or unequal wages, and in indirect forms through influence over political decisions. Neither orthodox nor dual labor market theory has anything to say about these kinds of issues, but the so-called radical theory of unemployment does address them, albeit with questionable success.

The radical theory of employment is radical in two senses. The first sense is that its proponents present it with a penumbra of dialectical materialism and devil theories of the machinations of a cohesive capitalist class. Of this penumbra, the best that can be said is that even Karl Marx, one of the greatest economists of history, also managed to clutter up his solid explanations of the business cycle and other phenomena with such a penumbra. Before radical economists accept the burden of putting their ideas within the framework of dialectical materialism, they might wish to read Edmund Wilson's classic chapter on "The Myth of the Dialectic" in his book, To the Finland Station,* a volume sympathetic to radicalism but persuasive in its argument that the concept of the dialectic adds more fog than light to discourse. Furthermore, in Gordon's presentation, even the more useful and concrete concepts of Marx are misunderstood almost beyond recognition. For instance, Gordon asserts that by class consciousness Marx intended a concept of "subjective identification" of individuals with a group, whereas in fact Marx used class consciousness as a reference to a _politically organized_ class.[*] Also, Gordon asserts that capitalists have "sought to encourage and permit the development of several objectively defined classes in the American labor market, each in objective competition with the others, in order to heighten the stratification of the labor force."[**] That assertion, to whatever degree it may be true, certainly contradicts the Marxian notion that classes arise from the objective progress of technology, rather than from the machinations of one of the classes. Thus radical economics borrows precisely those parts of Marxism which have proven most useless and misunderstands the most fundamental concepts, namely class and class consciousness, of radical social theory. On this level there is every reason to dismiss Gordon, the most sophisticated student of radical employment theory, as a sociological incompetent. However, this penumbra of Marxist language and sociological incompetence is of no consequence for the hard theoretical core of the so-called radical theory; and it is unfortunate that the jargon and mistakes will inevitably put people off to the extent that most economists and laymen will ignore the solid contributions that so-called radical theory has to make.

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*(Garden City, N.Y.: Doubleday Anchor, 1953), Ch. II.

There is another more serious sense in which the radical theory is radical, a sense relating to our previous discussion of the nature of economics as an intellectual enterprise exploiting the precision that can follow from narrowmindedness. Because of the narrowness of the variables allowed in most economic analysis, economic theories work only where social and political factors, such as group organization, military intervention, presidential decision-making, and so forth, either do not occur or are somehow completely cancelled out by countervailing influence. Wherever organization and power become central phenomena, economic prediction and explanation break down. Knowing this, and understanding either explicitly or intuitively that all of the success of their discipline depends upon ignoring such factors as differential organization, differential access to power, and so forth, most economists have developed a reflex of automatically dismissing any such considerations with contempt as "mere sociology." This has two consequences. On the one hand, the internal rigor of economics is maintained, and its equations continue to have relatively precise solutions. On the other hand, the narrowness of economics takes it farther and farther from a real world in which markets are manipulated by oligopolies, economic systems are tampered with in detail by politicians, and labor unions and other forms of lumpiness in the labor market come to dominate free market forces.

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[*] Cf., Gordon, _op. cit._, 58.

[**] _Ibid._, 79.

What is truly radical in the radical labor market perspective, then, is that it proposes to challenge the traditional narrowness of economic theory by introducing into economic studies the most elementary sociological considerations of group cohesion and group conflict. For a sociologist or a political scientist it would be laughable even to consider not taking into account the effects of differential group organization, and of omnipresent group conflict, on the outcomes of such important social values as wages and employment. The political scientist or sociologist would agree with the economist that if economic groups were unorganized, or if they were not in competition as groups for scarce values, that the only variables affecting employment would be ones like aggregate demand, level of skills, and so forth, but he would not waste time on anyone who considered that anything like such a model of atomization and intergroup harmony constituted a serious model of the real world or a suitable basis for policy analysis. What is truly radical about the radical theory of the labor market is its willingness to acknowledge that the emperor of classical economics has no clothes, that economics will henceforth have to choose between its desire for policy relevance and its desire to dismiss organizational, power, and conflict issues as contemptible sociology.

Radical theory introduces the recognition that multiple groups, not just one or two markets, compete as groups rather than as individuals, and that the outcomes of their competition depend on differential group cohesion, differential group power of various kinds, and in particular differential group access to the decision-making of the state. In addition, radical theory takes into account the historical development of class, stratum, and political relationships in a way that the other theories do not. Regrettably radical theory has not gone beyond these perspectives to provide a solid theory. Whereas dual labor market theory can fill out its new perspective with an integrated set of hypotheses about the secondary labor market and provide a set of derived policy differences, radical approaches seem never to get beyond perspectives and into the cumbersome details of specific theory and specific policy. If the radical perspective is ever filled out, it will in effect provide a grand theory of economic process, social structure and socio-economic history. So long as it fails to fill in its perspective with concrete theory it will remain ideology rather than science. This is a pity, for the other perspectives are quite incapable of introducing the political considerations and the sense of history that are essential to ultimate policy judgments.

The three theories outlined above reach fundamentally different policy prescriptions for reducing unemployment, particularly in the so-called secondary labor market. The orthodox theory focuses on the supply side of the labor market, emphasizing education, especially formal education, and the elimination of market imperfections such as inadequate information and inadequate mobility. On the demand side, the principal tool provided by orthodox theory is increases in aggregate demand--which turn out to be ineffective outside some unfortunately narrow limits. The dual labor market theory, on the other hand, tends to emphasize the demand side of the labor market and to emphasize the structure of the demand side as well as the aggregate demand. Dual labor market theory calls for restructuring of jobs and job priorities through various means: (1) political reduction of discrimination, (2) encouragement of big rather than small business because big business tends to be more stable, (3) encouragement of unionization, and (4) emphasis on stable public service employment to change labor-force expectations, behavior, and incentive structures. To such prescriptions the radical theory adds only an emphasis on class consciousness, but it provides no way to incorporate class consciousness into a set of public policies and no analysis of the conditions under which class consciousness is possible.*

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*The conditions under which group consciousness, in the sense of group political organization, is possible is one of the classical questions of social theory. For a general survey of approaches to the subject, cf., The different policy prescriptions of the different theories are outlined briefly in Chart V, and the differing theoretical advantages of the several models are outlined in Chart VI.

It remains to consider whether the three different approaches to unemployment and unemployment policy constitute distinctively different theories, or different paradigms in the sense of Thomas Kuhn; whether one of them is decisively superior to the others; and whether any of them is likely to lead us to satisfactory policy prescriptions. The radical theory appears to be a series of terribly incisive comments eroded by simple conceptual error, disembodied by the absence of concrete theorizing, and obscured by a fog of the worst remnants of German metaphysics. It is not yet either a theory or a paradigm. The orthodox model provides an esthetically pleasing and scientifically precise model which integrates well with theories of other parts of the economy but breaks down--like much of modern economics--simply because it has so little relation to reality. The dual labor market theory constitutes a genuine alternative theory in that it has distinctive and contradictory hypotheses and policy conclusions, and it also constitutes a distinctive paradigm because of its willingness to absorb sociological considerations. These sociological considerations are purchased at the cost of substantial loss of mathematical precision, but they result in a proportionately enhanced explanation of reality and in a far more systematic and convincing presentation of policy recomendations

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William H. Overholt, Organization, Revolution and Democracy Toward a Sociology of Politics (New Haven: Yale Dissertation, 1972), and William H. Overholt "A Theory of the Ability of Social Groups to Organize for Social Purposes," paper for the 1974 Annual Meeting of the American Sociological Association, Montreal, August 1974. For some analyses by economists of this question, cf. Clark Kerr and Abraham Siegel, "The Inter-Industry Propensity to Strike--An International Comparison," in A. Kornhauser, R. Dubin and A.M. Ross, eds., Industrial Conflict (New York: McGraw Hill, 1954).

CHART V

CHARACTERISTIC POLICY PRESCRIPTIONS FOR REDUCING UNEMPLOYMENT

ORTHODOX	DUAL	RADICAL
Education, especially formal education	Restructuring of jobs and job hierarchies	Class consciousness --but lumpenproletariat hard to organize
Increase aggregate demand	Political reduction of discrimination	
Eliminate market imperfections -- information -- mobility	Stable public service employment to change behavior and incentive structures	
Labor supply emphasis	Encouragement of big rather than small business	
	Encouragement of unionization	
	Labor demand emphasis	

SOME NEGLECTED CONSIDERATIONS

A. Does ghetto feed on itself? If so, is dispersion an answer? According to Gordon, blacks do not fare better in suburbs.

B. To what extent will group cohesion enhance political power and responsibility?

C. Can (a) and (b) be combined?

D. Utility of Black Muslims and other groups.

E. Economic development concept of vicious circles

CHART VI

ADVANTAGES OF DIFFERENT MODELS

ORTHODOX	DUAL	RADICAL
1. Calculability	1. Acknowledgment of "lumpiness" of labor markets	1. Recognition of diverse groups ("multiform" rather than just dual markets).
2. Clear relation to other economic theories	2. Acknowledgement of behavioral differences between sectors	2. Recognition of importance of group cohesion and power -- explains factor shares
	3. Willingness to introduce key sociological variables	3. Recognition of intergroup competition
		4. Willingness to introduce political variables

DISADVANTAGES

ORTHODOX	DUAL	RADICAL
1. Inability to analyze structural change or recommend policies of structural change	1. Dual labor markets misnomer for dual economy	1. Metaphysics of dialectical materialism
2. False assumptions of market continuity--the analogue of analyzing oligopoly using theory based on the wheat market: a. universal behavior characteristics b. single market for labor c. assumption that factor shares completely determined by marginal productivity d. job characteristics and hierarchies invariant e. assumption that discontinuities will tend to erode	2. Absence of the advantages of the other two models	2. Devil theory of conscious, cohesive capitalist class successfully manipulating almost everything
		3. Sloppy concepts of class and class consciousness -- lack of any serious theory of the genesis or nature of class power
		4. Exaggeration of upper class control of state

But it remains a theory in its infancy and a theory unable to account for the effects of crucial social and political variables. The policy maker would do well to choose an advisor of the dual labor market school; but he would also do well to respect the example of President John F. Kennedy after the Bay of Pigs debacle, who listened carefully to the expert advice of his generals, but always remained skeptical and retained a sense that the ultimate judgments remain political and that the best formal theories available would provide him only with the wisdom of the blind man examining one part of the elephant.

INCOME AND EMPLOYMENT

"Nonaffluent Income and Employment: Characteristics and Attidues"

By

Jane Newitt

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NONAFFLUENT INCOME AND EMPLOYMENT: CHARACTERISTICS AND ATTITUDES

A. Historical Background

1. Comparing 1952 and 1972*

a. The Nonaffluent by 1972 Criteria

This discussion deals with families whose total income was $4-7,000 (NA-L) and $7-10,000 (NA-U) in 1972, compared to families with comparable purchasing power twenty years earlier. The first point to note is that improvements in real income meant that the absolute numbers of families in both of these groups declined during this period. While the numbers of American families increased from 41 million to 54.4 million, those that were "nonaffluent" by 1972 criteria diminished: NA-L - from 10.6 million to 8.2 million families; NA-U - from 11.2 million to 9.1 million families. At the same time, other family income groups changed as follows:

Under $4,000 (1972 $) - from 10.6 to 6.4 million families
$10-15,000 - from 3.1 to 14.2 million families
$15-25,000 - from 4.9 to 12.5 million families
$25,000 and over - from 554,000 to 4.0 million families.**

This general shift upward in real income was accompanied by a major change in the sources of income. Families deriving their income entirely from earnings decreased from 79% to 34% of NA-L families, and from 77% to 41% of NA-U families. The change in percentage of families deriving all their income from earnings was pronounced for other groups as well:

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*CPR, P-60, No. 90, pp. 40-43. See also Tables E and B following chapter and current occupational data in Section C.

**In unadjusted dollars, the 1952 income groups are roughly: Poor = under $2600, NA-L = $2600-4500; NA-U = $4500-6400; Lower Affluent = $6400-9600; Middle Affluent = $9600-16,000; Upper Affluent = $16,000 and over.

Under $4,000 (1972 $) - 61% in 1952, 22% in 1972
$10-15,000 - 73% in 1952, 40% in 1972
$15-25,000 - 69% in 1952, 32% in 1972
$25,000 and over - 52% in 1952, 18% in 1972.

While some of this might be explained by changes in reporting, its diffusion across the income spectrum indicates that not only pensions and "welfare" but increasingly widespread ownership of income-bearing securities is involved. At the extreme, the percent of families with no income from earnings has risen for all but the most affluent: for the NA-L, from 2% to 20%; for the NA-U, from .6% to 5.6%. In 1952, only 17% of the families with incomes under $4,000 (1972 $) had no earnings; in 1972, the figure was 44%.

The occupational distribution of nonaffluent family heads has changed relatively little since 1952, and the changes that have occurred need to be related to the occupational trend for all family heads, as presented in Table 1 below. However, even this additional information conceals major complexities of occupational change. For example, the percentage of family heads employed as managers or administrators dropped for all income groups except the poor*; the over-all increase from 13% to 15% is explicable in terms of the great increase in the numbers of families in the higher income brackets where managerial employment is concentrated. By the same token, the marked overall increase in professional and technical employment considerably exceeds the increase within any income group; indeed, the lower affluents, like the upper nonaffluents, experienced a percentage decline in this type of employment.[*]

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*In addition to those shown in the table, from 16% to 13% for lower affluents, from 22% to 20% for middle affluents, and from 46% to 36% for the $25,000-plus income group.

Table 1

OCCUPATIONAL DISTRIBUTION OF NA-L, NA-U, AND ALL FAMILY HEADS

	NA-L		NA-U		All Fam. Heads	
	1952	1972	1952	1972	1952	1972
Professional & technical wkers.	5%	6%	9%	8%	8%	14%
Managers & administrators	9	7	13	9	13	15
Farm owners & managers	7	6	5	4	10	3
Farm laborers & foremen	.8	3	.3	1	2	1
Craftsmen & foremen	22	17	26	23	21	21
Operatives	28	23	23	24	22	16
Service wkers.	8	15	5	9	6	8
Nonfarm laborers	9	8	5	8	7	5
Clerical wkers.	8	10	8	10	6	8
Sales wkers.	4	5	6	5	6	8
	100.8	100	100.3	101	101	99

The basic trend shown by the table is the nonaffluents' drift away from the national occupational distribution of family heads. If we sum the differences between nonaffluent and all-family percentages for the ten occupational categories, the cumulative total for the NA-L is 26.2 for 1952, 54.0 for 1972; for the NA-U family heads, the change is from 18.7 to 32. By contrast, the lower affluents' cumulated departure from the national norm declined from 26.7 to 18.7, the middle affluents' from 41.7 to 25.6, and the upper affluents' from 105 to 78. Interestingly (or confusingly) the occupational distribution of under-$4,000 family heads followed the affluent rather than the nonaffluent pattern, its difference rate dropping from 63 to 52. However, it is worth remembering that, among these poor families, the percent with no earnings increased from 17% to 44% in the twenty year period.

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[*] However, if we take a different slice of the statistical cake, professional and managerial employment of white heads of husband-wife families increased by 46% between 1959 and 1969 alone.

All income groups except the NA-U, the most affluent, and the poor had a dwindling percentage of family heads employed as operatives, with much the largest decline in the NA-L group. Only the middle and upper affluents and the poor saw an increased percentage of craftsmen and foremen. While service employment increased in all groups, it was strongly concentrated among the NA-L and poor families, and mainly expanded during the fifties.

Another way to play with the changing income-group occupational profiles is to cumulate the percentage changes in occupational distribution within income groups.* This process yields sums of about 39 for the most affluent and the poor, of 27 and 21 for the NA-L and NA-U respectively, and of 10 for the lower-affluents and 14 for the middle affluents. For the upper affluents, the main components of the high rate of change are a swing toward professional (from 28 to 31%), craftsmen-foremen (4 to 11%), and sales employment (5 to 10%), combined with a swing away from managerial (46 to 36%) and farm work (12 to 2%). For the poor, the biggest changes are the decline in farm owners and managers (from 26 to 11%) and in nonfarm laborers (from 13 to 9%) plus an increase in service and clerical workers (from 9 to 15% and 3 to 8% respectively) which presumably reflects the nonelderly component of the near doubling of the percentage of poor families that are female-headed (from 20 to 38%). Presumably, few elderly poor families (as distinct from households) have female heads.

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[*] If we were talking about the same people or numbers of people, intragroup, in 1952 and 1972, the "change index" would be half the sums. I use the sums because this is so obviously remote from reality.

Most analyses of employment change among the nonaffluent center on the blue collar versus white collar issue. The point usually made, which Table I supports, is that over three-fifths of both nonaffluent groups remain in the blue collar worker category, if service workers are included in this category, as it seems clear that in most cases they should be. However, negligible attention has been paid to the changes in managerial employment that have occurred among the nonaffluent, and particularly to the breakdown (not shown in Table I) between self-employed and salaried managers.

Offhand, this neglect seems warranted. After all, even among the upper nonaffluents, only 7.3% of family heads were employed as salaried managers in 1952, and the twenty-year decline to 5.4% does not appear especially important. However, this particular case provides an exceptional illustration of the differing effect of differing manipulations of the same statistics. During the twenty years, the total number of salaried managers increased from 2.3 million to 5.8 million, while the numbers of families in the NA-U group decreased from 11.2 million to 9.1 million. As a result of these contrasting changes, the NA-U were 17% of all family heads, and 9% of all family heads employed as salaried managers in 1972, while, twenty years earlier, people with comparable purchasing power were 27% of all family heads, and 36% of all salaried managers.

Perhaps the best response to this remarkable shift is to repeat that people considered nonaffluent today were a distinctly middle class group in 1952. This is, of course, true. If 1952's families are divided into fifths by income, more of those with purchasing power equal to a sub-median 1972 income in the NA-U range appear in the second highest than in the middle fifth, while 90% of those we would today call "lower affluents" are in the top fifth. Among them, the nonaffluent (53%) and the poor (26%) comprised four-fifths of all American families in 1952, if we apply 1972 standards of affluence, nonaffluence, and poverty.

Thus the fact that the NA-U's share of salaried managers dropped from 36 to 9% (and the NA-L's from 13 to 5%) amounts to something less than--or different from--what meets the eye. That is, this expanding job category is one of the reasons why many fewer families are in the "nonaffluent" range today than in 1952. Overall, the shift in percentage of families and percentage of all family heads who are salaried managers has progressed as follows:

Table 2

FAMILY HEADS AS % OF ALL FAMILY HEADS AND ALL SALARIED MANAGERS, BY INCOME GROUPS IN 1972 DOLLARS, FOR 1952 & 1972

	1952		1972	
	% OF ALL FAMS.	% OF ALL SAL. MGRS.	% OF ALL FAMS.	% OF ALL SAL. MGRS.
Under $4,000	26%	5%	12%	3%
$4-7,000	26	13	15	5
$7-10,000	27	36	17	9
$10-15,000	8	11	26	25
$15-25,000	12	30	23	36
$25,000 and over	1	5	7	22

In sum, in 1952, all but the two lowest groups had more than their proportional share of salaried managerial jobs; in 1972, while the total number of such jobs had risen by 150% only the two top groups were over-represented.

A somewhat different picture is presented by the occupational group, self-employed managers.[*] In 1952, this category was more numerous (2.7 million jobs) than the salaried manager category; by 1972 it had dropped to 1.9 million. Here also the three lower income groups experienced a reduction in share of all such jobs, but the reduction was smaller than the decline in their proportion of all families, as may be seen by comparing the following shifts to the "% of All Families" columns in Table 2:

Poor - reduction from 25% to 22% of all self-employed managers
NA-L - reduction from 24% to 15%
NA-U - reduction from 23% to 16%

Lower Affluents - increase from 8% to 19%
Middle Affluents - increase from 16% to 18%
Upper Affluents - increase from 5% to 10%

Thus in 1952, all income groups except for the most affluent had close to their share of self-employed managers, but in 1972 the poor were grossly overrepresented, the nonaffluents were proportionally represented, and the lower and middle affluent families (which, between them, accounted for about half of all families) held only 37% of self-employed management jobs. In short, we see here the details of a simple fact stated in the discussion of family types in another chapter of this study:* during a twenty-year period when the number of salaried managers has doubled, the number of self-employed managers has dropped by 30%, and the average income of families headed by a self-employed manager has declined from 125% to 99% of the average income for all families. While I do not wish to romanticize either the independence or the opportunities for upward mobility of the corner grocer and other small-scale entrepreneurs, it does seem that the changing character of managerial employment has produced a significant alteration in our economic opportunity structure in the post-war period. Since the picture differs if self-employed professionals are included--for instance, the total number of "proprietorships and the partnerships" has increased by nearly 60% since World War II, and their annual profits have risen (in unadjusted dollars) from $12 to $44 billion**--the soundest formulation for the change probably relates to opportunities for people who lack advanced education.

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[*] Table A, at the end of this chapter, shows the percentage of family heads, by income group, employed as self-employed and as salaried managers in 1952 and 1972, and the ratio of salaried to self-employed for both years.

In 1967, a 12% drop in total recorded self-employment was produced by a change in Census procedures eliminating people who had incorporated their partnerships or proprietorships. Subsequent to this adjustment, the subgroup discussed in this section, self-employed/nonfarm managers, has continued its previous decline, both in absolute numbers and as a percentage of total self-employed. Between 1967 and 1973, this group dropped from 31% to 25% of total self-employed, while the farm workers' share dropped from 27% to 23%. Self-employed craftsmen jumped from 9% to 13% of the total; self-employed professionals moved from 12% to 13%. These percentages relate to a total of about 7.2 million workers in both years, and to total self-employed, not family heads. Source: Robert N. Ray, "A Report on Self-Employed Americans in 1973," Monthly Labor Review, January 1975, pp. 49-54.

2. Married Male Blue-Collar Workers, 1960-1970

The information in this section is derived from Herman P. Miller's essay, "A Profile of the Blue-Collar Worker," published in Blue Collar

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*Jane Newitt, The Nonaffluent: A Statistical Profile, HI-2224-RR (Draft), April 1975, Chapter IV.

**These figures (although not my conclusion) are from Eli Ginzberg's essay, "The Changing American Economy and Labor Force," in The Worker and the Job: Coping with Change (The American Assembly) edited by Jerome M. Rosow, 1972.

Workers (Sar Levitan, editor; 1971).[*] Special tabulations of Census data conducted for the Levitan project indicated that, in 1969, the median income of white families headed by male blue-collar workers (service workers excluded) had reached $10,700, well above the median for all families in that year, and a 30% improvement in real income since 1960.

Thus, while relatively few blue-collar workers have incomes in the "upper affluent" range, the average such worker, if married, is not non-affluent. While he generally describes himself as working class, he belongs to the lower affluent income group.

This being said, blue-collar work remains of interest because, with the changes in the character of managerial employment, it has become far and away the most important avenue to upward income mobility for people who lack a college education, and there are a great many such people among the youth in nonaffluent families.[**]

Of the 25% increase in earnings of married white male blue-collar workers during the 1960's,[***] sixty percent occurred in the latter half of the decade. At the same time, comparable nonwhite workers experienced a 42% earnings improvement, evenly distributed between the two five-year periods. Married male white service workers had a 22% increase, clerical and sales workers 25%, and professional and managerial workers 28%.

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[*] The Miller essay draws on materials in his book, Rich Man, Poor Man, published in the same year.

[**] See Chapter V in Jane Newitt, op. cit.

[***] Note that the earnings improvement is considerably smaller than the total income improvement cited in the first paragraph.

Subdivided by age, nonelderly married male blue-collar workers had comparable rates of improvement in real earnings during the 1960's, with a range of 24-30% for whites and 39-47% for nonwhites; for both, the 35-44 year olds experienced the least improvement. However, in all the major occupational categories married male workers ages 65 and over experienced a decline in real earnings: for whites, a 4% decline for professional and managerial workers, 13% for craftsmen and operatives, 24% for clerical and sales workers, and 28% for service workers and laborers. For all elderly married nonwhite male workers (the only category numerous enough to tabulate) the decline was 23%.

These age comparisons do not, of course, reflect the earnings changes of specific people, since specific people grow ten years older in a ten year period. When we look at the earnings changes for married white male blue-collar workers during the Sixties by age cohort, the picture presented is a 33% improvement for those born between 1926 and 1935, 24% for those born between 1916 and 1925, and 21% for the 1906-1915 age cohort. Comparable figures for nonwhites are 50%, 32%, and 20% respectively, suggesting a considerably greater range of age-related differences in economic opportunities. In 1970, the youngest cohort of married nonwhite blue-collar males had median earnings 78% of its white counterparts, compared to 74% for the middle cohort and 65% for the oldest. Among married white male service workers and laborers, the youngest age cohort saw a 28% improvement in real earnings during the 1960's, the other's 17% and 9%. The actual white median earnings for blue collar and service-employed married males at the time of the 1970 Census were:

	Craftsman & Operatives	Service & Laborers
1926-1935 cohort	$8,479	$7,245
1916-1925 cohort	8,462	6,815
1906-1915 cohort	7,891	5,645

Over the decade there was also a dramatic increase in the percentage of these types of workers who were high school graduates. For white craftsmen and operatives, the percentage rose from 26% to 41% for married males; the nonwhite percentages are 14% and 28% (compared to 15% and 25% for all nonwhite married male workers); and the shift for white married male service workers and laborers was from 19% to 34%.

At the same time, the high school graduates among white married male craftsmen and operatives increased their real earnings by 26%, compared to 22% for those with less and those with more schooling. Among the white service workers and laborers, the improvement rate was 25% for high school graduates, 23% for those with some college, 16% for grade school level, and 13% for the high school drop-outs. While the data on nonwhite married male craftsmen and operatives are statistically suspect because of the small numbers in the categories, it appears that those with a grammar school education had somewhat greater real-earnings improvement (38%) than the high school graduates (33%) or the high-school drop-outs (27%). The improvement for all married male nonwhite workers was 50% for college graduates, 47% for the least educated, 38% for those with some high school, 32% for high school graduates, and 28% for those with some college.*

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*Miller's data indicate a protective influence of the minimum wage on the least educated workers and some premium value (except in the figures for all nonwhite husbands) for the high school diploma. See also Jane Newitt, op. cit., Chapter V for figures supporting this.

Looking at the full breakdown for white married males by occupational type and education, it appears that high school graduate blue-collar workers did slightly better than anyone else. Those who did worst--a mere 10% improvement in median real earnings--were blue-collar college graduates and grade-school level professional and managerial workers, followed (at 13%) by the high school drop-outs in the professional and managerial and the service and laborer categories.*

3. Family Income Mobility, 1967-1972

As noted in the previous section, a comparison of income over time by age groups does not tell us how real people fared. A comparison by birth cohorts is somewhat more instructive, but reality is best represented by tracking real individuals or families. Because the costs and administrative difficulties are enormous, this is rarely done. Moreover, at some point (which may be 3 years or 30), such longitudinal studies themselves become unreliable because of the attrition problem. Even if those conducting a project have lost track of only a fifth of their original sample, it may be that this fifth were very different kinds of people from the four-fifths remaining. A familiar instance of this is the records of high school and college alumni associations. We can be sure that the current address list for the Class of 1950 does not constitute a random sample of that class's members, and that a survey of income, occupation, and attitudes of those on the list will not produce findings that accurately describe the whole class of 1950.

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*Table C following this chapter presents further data from Miller's married blue-collar worker profile, separating the $4-8,000 and $8-12,000 income groups.

Scholars do much better than alumni associations at posting caveats about the accuracy of their findings, but some of the factors that selectively affect attrition are difficult to measure even if they are anticipated. Take, for example, the large amount of low-paid work, especially house and yard work, where employer and employee collude in avoiding the payment of social security taxes. A longitudinal study of low-income families will include many such workers, and it stands to reason that, despite assurances of confidentiality, the fact of unreported income (and, of course, of blatantly criminal income) will often be concealed from the researchers, while the families which depend heavily on unreported or illegal earnings will be the most likely to become uncomfortable about participating in the study, and the least likely to leave a forwarding address when they move. This will probably be true even if their participation produces substantial income for them, as in the case of the recent and on-going income maintenance experiments conducted in New Jersey, Seattle, and elsewhere, and it limits the validity of the conclusions of such studies.

However, where a study has a low attrition rate, under-reporting and the probably much more rare over-reporting of income probably do not vary much from year to year. The study's general picture of shifts up and down in the financial lot of real families then becomes a reasonably reliable supplement to Census data. The most ambitious recent study of this kind, the OEO-funded Income Dynamics Panel Study of 5,000 families, conducted by the University of Michigan's Survey Research Center, has produced the major finding that, between 1967 and 1972, only 2.4% of American families had incomes below the poverty line every year, but a quarter of all families were below it in at least one year (over twice as many as were "poor" in any single year). At one extreme, the perennially poor were overwhelmingly uneducated and black, half lived at least fifty miles from any city of 50,000 or more, and 85% lived in the South. At the other extreme, the study estimated that at some time during the period as many as 85 million Americans were eligible for public assistance, food stamps, and/or public housing.

The findings of greatest interest to a study of the nonaffluent relate to the likelihood that, over a six-year period (or at least over the particular six-year period, which included great prosperity and a moderate recession), families will move into or out of the nonaffluent income range, either up or down. "Nonaffluents" may reasonably be defined as families with incomes above the poverty line (1.00) but below three times that level (2.99). I here summarize the Panel Study's findings relevant to this group, comparing 1967 and 1972 family income status.*

--Of those with incomes .6 (60%) of the poverty line in 1967, 32% had NA incomes and 4% A incomes in 1971

--Of those with 1967 incomes .6 to .99 poverty level, 49% became NA and 6% A

--For 1967 incomes 1.00 to 1.49 poverty level, 19% were P in 1971; 34% were unchanged; 38% were in the higher NA group; 9% were affluent

--For 1967 incomes 1.5 to 2.99 poverty level, 7% were poor in 1971; 12% were 1.00 to 1.49 poverty level: 54% were unchanged; and 27% were affluent

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*James N. Morgan, et. al., Five Thousand American Families: Patterns of Economic Progress (University of Michigan, 1974), Vol. 1, pp. 18-19. The study's use of "family" differs from the Census Bureau's in including one-person households.

- --For lower affluents in 1967 (3.00 to 4.49), 4% were poor in 1971; 4% were in the range 1.00 to 1.49; 29% were 1.5 to 2.99 poverty level; 40% were unchanged; and 23% were 4.5 times poverty level or higher

- --For 1967 upper affluents, 2% were poor; 2% near-poor; 15% other nonaffluent; 26% lower affluent; and 55% upper affluent.

To summarize (and all of these figures have been adjusted for inflation), 36% and 55% of the poor groups of families in 1967 were not in poverty in 1971; 19% of the near-poor were in poverty, while 47% were in a higher group; 19% of the principal nonaffluent group had income reductions sufficient to put them in a lower group, and 27% had moved to a higher group; 37% of lower affluents had dropped one or more groups, and 23% had advanced; and 45% of upper affluents had lost ground. Obviously, some of these changes represent minor fluctuations, but outer limits to these can be derived from the detailed descriptions, and the income ranges above 1.49 are large enough to minimize the significance of this factor.

If attention is restricted to the families which had the same head for all five years (about 70% of the total), the percentages whose inflation-adjusted incomes remained in the same range for five years increase considerably for the most affluent (to 64%) and the very poorest (to 44%), and by a few points for the other groups. Other differences are minor.

What were the causes of these changes?

"The factors which dominate in explaining change in family economic status in the relatively short-run period examined are changes in the composition of the family and in the participation of family members in the labor force. Arrival and departure of children, marriage, divorce, and the joining or leaving of the labor force by adult members...were found

> to be of most significance. (During the period) one or more of these events affected 74% of all sample families."*

The Panel Study also notes that changes in family income status make the federal income tax less progressive than it appears to be when one only looks at a single year. However, an initial report that, when income and taxes are averaged over five years, this tax is revealed to be "not at all progressive across the bottom half of the income distribution," has turned out to have been based on a computer programming error.

4. Further Comments on Occupational Change

In the long view a major factor raising real money incomes has been the decline in farm ownership and employment. For blacks, this factor remained significant in the 1960's. Black farm employment dropped by two-thirds between 1910 and 1960, and by another two-thirds (from 750,000 to 233,000) between 1960 and 1970.

However, at the crude level of disaggregation represented by the 1974 NORC survey division of "under $6,000" and "over $6,000" household incomes, the correlation of farm background to present income is very striking. The following table shows, by race and age, the percentage of poor and nonpoor respondents whose father was a farmer:

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[*] Highlights Report. Panel Study of Income Dynamics (Dr. James N. Morgan, Director), pp. ix-x. Note that what the quotation details are the reasons for differences in income change among families, without attention to the general factor of economic growth. Overall, GNP (discounting for inflation) rose by about 3% annually during this period.

[**] The citation for this and all subsequent references to the 1974 NORC survey is the General Social Survey, July 1974, conducted by the National Opinion Research Center, the University of Chicago, under their National Data Program for the Social Sciences.

Table 3

% WHOSE FATHER WAS A FARMER, BY RACE AND AGE, 1974

		UNDER $6,000 HH INCOME	OVER $6,000 HH INCOME
RACE:	White	33%	19%
	Black	57	30
AGE:	Under 30	13	5
	30-49	30	22
	50-69	42	29
	70 and older	58	29

A second major long-term change in our occupational structure has been in the size and character of clerical employment. A century ago, only six-tenths of one percent of American "gainful workers" were in clerical employment. In 1900 it was 3%, in 1970 18%, equal to the percent employed as operatives.

At the same time, a massive feminization and economic down-grading of clerical employment occurred. The same proportion of such workers--three-quarters--that was male in 1900 was female in 1970. Harry Braverman's investigations indicate that clerical employees of railroads and manufacturing establishments in 1900 had average annual earnings of $1,011, compared to an average for other workers in these industries of $548 for the railroads and $435 for manufacturing.* By contrast, in 1971, the median weekly wage for fulltime clerical work was lower than for any kind of blue-collar work, excluding services: clerical average=$115, laborers=$117, operatives=$120, craftsmen and foremen=$167, service workers=$96 (This last does not include private household service.)

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*The figures cited in this paragraph, although definitely not the subsequent interpretation, are from Harry Braverman, "Labor and Monopoly Capital: The Degradation of Work in the Twentieth Century," Monthly Review, July-August 1974.

However, as Table 1 in Section A showed, relatively few family heads are clerical workers (or ever were), and the percentage in the nonaffluent groups is only slightly higher (10 vs. 8%) than for all family heads. Rather clearly, the fundamental economic result of the changes described has not been to depress anyone's earnings or to restrict their earnings opportunities over those previously existing but to greatly enlarge employment opportunities for married women and to contribute significantly thereby to the incomes of families headed by men who cannot themselves command a very high wage. The recent dimensions of these contributions will be discussed in a later section of this chapter.

B. A General View of Nonaffluents' Employment Status

1. Workers and Nonworkers

The importance of distinguishing between household and family statistics is reiterated by the following example: the nonaffluent are 30% of all households and 35% of all with a nonworking head; at the same time, they are 32% of all families and 44% of those with a nonworking head. I assume that most of this difference is explained by the very large numbers of one-person households whose "head" and sole member is elderly and not employed, and whose incomes are typically below $4,000. When these households are eliminated from the computation, the nonaffluents' share of households with a nonworking head--that is, of families with a nonworking head--jumps sharply upward.

Looking further at the family data, we can separate the upper and lower components of the nonaffluent group. In 1972, the NA-L were 15% of all families but 30% of those with a nonworking head (and 31% of those with no earners at all). The NA-L included 33% of nonworking male family heads and 22% of the females. Combining the sexes, NA-L family heads were 26% of all who did not work because of illness or disability, 23% of those who were keeping house instead of working, 29% of those who were going to school, and 19% of those who claimed they could not find work.

By contrast, the NA-U were 17% of all families, but only 14% of those with nonworking heads. They included 16% of the nonworking male heads and 11% of the females. NA-U family heads were 15% of those who did not work because of illness or disability, 12% of those who were keeping house, 11% of those going to school, and 15% of those who claimed to be unable to find work. The NA-U's 14% of nonworking family heads compares to its 10% of families with no earners at all.

Proportionally underrepresented in the no-earner category, the NA-U are slightly overrepresented among one-earner families, accounting for 21% of all such families, and they account for their proportional share of two-earner families. The NA-L are overrepresented in the no-earner (31%) and the one-earner (21%) groups, while only 11% of NA-L families have two earners. Families reporting more than two earners are heavily concentrated in the more affluent income groups. This statistical fact, which is supported by other sources, is somewhat difficult to believe, since the term "earners" is defined loosely enough to include teenaged baby-sitters and paperboys (or girls). While it is true that families with teenaged children are more common at affluent income levels, one would suppose that the poorer youth would be the more likely to work. Nonetheless, the average number of earners in a family followed the following pattern in 1972: P=0.72, NA-L=1.16, NA-U=1.52, $10-15K=1.79, $15-25K=

2.16, $25K-plus=2.28. Only for income levels above $15,000 was the average number of earners higher than for families of comparable purchasing power in 1952, despite the great increase in working wives, and this rise in average numbers of earners was greatest by far for families of $25,000-plus income, where the percentage reporting three or more earners rose from 12% to 35%, compared to a mere one-point rise for the middle-affluents. One possible explanation is that, for reasons unclear, less affluent and nonaffluent families tend increasingly not to report their teenagers' employment, possibly because it makes a valued untaxed contribution to the family's total income. In any case, this is one set of Census figures that I view with considerable skepticism.

Thus far, I have focused on the nonaffluent families' share of national totals (nonworking family heads, 2-earner families, etc.). Obviously, the employment profile of nonaffluent families entails a different set of figures. To state it briefly, 34% of NA-L and 41% of NA-U families derived all their income from earnings in 1972, while 20% and 6% derived no income from earnings. Between 1952 and 1972, the group with earnings and other reported income increased from 19 to 46% for the NA-L families, and from 22 to 53% for the NA-U.

On the question of number of earners, I will pair the two sets of figures:

For the NA-L

--their 30% of all U.S. families with no earners translates into 20% of NA-L families having no earners

--their 21% of all U.S. families with one earner translates into 49% of NA-L families having one earner

--their 11% of all U.S. families with two earners translates into 28% of NA-L families having two earners

--their 4% of families with three earners and 3% of those with 4 or more earners translates into 3% of NA-L families having three or more earners

For the NA-U,

--their 10% of all U.S. families with no earners translates into 6% of NA-U families having no earners

--their 21% of all U.S. families with one earner translates into 48% of NA-U families having one earner

--their 17% of all U.S. two-earner families translates into 40% of NA-U families having two earners

--their 10% of all families with three earners and 7% of those with four or more translates into 7% of all NA-U families having 3 or more earners.

Several non-Census sources help to amplify this general picture. The Income Dynamics Panel Survey is unique because its income categories are organized by reference to the poverty line. If we compare households with incomes 1.2-1.59 times poverty level to those at the upper limit of non-affluence--2.4-2.99 times poverty level--we find marked differences in the characteristics of nonworking adults in these households. In the near-poor group, 49% of nonworking adults were 65 and older in 1971, compared to 27% in the near-affluent group, and 19% where income is 6+ times poverty level. In the near-affluent group, the largest category of nonworking adults was "nondisabled females with more than 6 grades of school"; these were 35% of all nonworking adults in these households, compared to 15% in the near-poor group, and to 52% in the 6+ households. The other fairly numerous category is nonelderly disabled; this comprises 14% of the near-poor adult nonworkers, 11% of the near affluent, and 8% of the most affluent.[*]

My most recent data, from the NORC 1974 survey, are compatible with Census figures on the earners-per-family question, with the exception that the number of households reporting three or more earners is considerably higher for the nonaffluent and poor, supporting my speculation that lower income families may be especially reluctant to report additional earners to the government. The NORC percentages of households with three or more earners are: P=18%, NA=8%, Lower Affluents=13%, Middle Affluents=23%, $20,000 income and above=33%.[**]

Of NORC's nonaffluent respondents 31% state that they have had the experience within the past ten years of being unemployed and looking for work for more than a month. The percentages for other income groups are: P=34%, LA=25%, MA=24%, and UA=17%. (Remember that the NORC sample is not limited to household heads.) Except for the poor, the percentages of NORC respondents who have at some time received welfare or unemployment/benefits are similar to the preceding: P=45%, NA=37%, LA=28%, MA=30%, UA=17%. While these figures seem fairly high, they gain credibility from the income mobility findings cited in Section A-4.[***]

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[*] Five Thousand American Families, Vol. 1, p. 413. Note that these percentages pertain to all household members 18 and over who are not employed and "probably not in school," not merely to household heads.

[**] "Poor" means under-$6,000 household income in discussion of the NORC data; "nonaffluent" means $6-10,000, and lower affluent $10-15,000.

[***] Findings of the Income Dynamics Panel Study for the 1967-72 period are (1) workers who had experienced 1-30 weeks of unemployment in this

2. Working Wives and Female Family Heads

Census Bureau data for 1972 show that 52% of wives in husband-wife families had no earnings.* However, for those families that had any earnings at all, the percentage of wives with no earnings dropped to 48%. Among such families, where husbands earned less than $5,000, 53% of wives worked, 23% of the working wives earning $5,000 or more and 26% less than $1,000. Where husbands earned $5-7,000 and $7-10,000, about 57% of wives had some earnings. Even for the lower of these two husbands' earnings groups, a substantial proportion of working wives had sufficient earnings to lift the combined earnings above $10,000: that is, 26% of the working wives (i.e., 15% of all wives) of men earning $5-7,000 earned above $5,000 themselves while another 26% earned $3-5000. (Twenty-two percent earned less than $1,000.)

For the men whose earnings would have placed their families in the NA-U income group in the absence of other income, only 42.4% of wives did not work. Of the working wives, 35% earned $5,000 or more, 19% less than $1,000. Only where husbands earned $15,000 or more did less than a majority

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period were 26% of the affluent, rising to 37% of the very poor; (2) "the distribution of actual numbers of weeks of unemployment within this broad range is quite similar at different economic levels"; (3) there was less unemployment among people with 6-8 years of education than among high [redacted]op-outs; (4) among males who were heads of the same household throughout the period, nonwhites lost 8.5 weeks to unemployment compared to 5 weeks average for whites; (5) 10% of nonwhites compared to 5.4% of whites were unemployed for more than 30 weeks during the period; (6) the largest difference by race was among high school graduates; (7) a multivariate model indicates that the racial differences are "explained" by differing occupational distribution. Five Thousand American Families, Vol. I, Chapter 3.

*Adapted from tables in The Conference Board, A Guide to Consumer Markets 1974-75, p. 104.

(39%) of wives work. Of these working wives, 43% earned $5,000 or more, and 22% less than $1,000.

These figures are not greatly changed from a Census study in 1967,[*] when the median income of husband-wife families was $8,440. At that time, the highest percentage--56%--accompanied husbands' earnings of $3-5,000, this hardly differed from the 54% and 55% for husbands' earnings of $2-3,000 and $5-7,000. Even at the $7-10,000 level, 48-50% of wives worked, but the figure dropped to 39% for husbands' earnings of $10-15,000, 31% for $15-25,000, and 25% for %25,000 and over.

These percentages are considerably higher than those cited by Herman P. Miller[**] for 1969, but the differences are presumably explicable in terms of Miller's referent being husbands' income rather than earnings. Miller's figures are also of interest because they show the median age of the working wives at the various levels of husbands' income:

Table 4

WORKING WIVES IN HUSBAND-WIFE FAMILIES BY HUSBAND'S INCOME, 1969

HUSBAND'S INCOME	% OF WIVES WHO WORK	MEDIAN AGE OF WORKING WIVES
$ 0-999 or less	33%	55
1-2,000	38	50
2-3,000	42	41
3-4,000	44	39
4-5,000	45	38
5-6,000	47	39
6-7,000	47	39
7-8,000	45	39
8-10,000	41	39
10-15,000	35	40
15-25,000	26	42
25,000 and over	18	45

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[*] CPR, P-60, No. 64, October 1969.

[**] *Op. cit.*, p. 70.

Miller's data also show the increase in percentage of working wives between the 1960 and 1970 censuses by the husband's occupational classification:

--from 36 to 49% where the husband was a clerical or sales worker
--from 33 to 44% where the husband was a craftsman or operative
--from 34 to 43% where the husband was a service worker or laborer
--from 30 to 41% where the husband was a professional, technical, or managerial worker.

These figures are for whites. Miller's breakdown for nonwhites is for all husband-wife families, where percentage of working wives rose from 45 to 57%, and for husbands who are craftsmen or operatives, where the rise was from 43 to 57%.

These figures are compatible with those in the 1967 survey, but the greater detail of the latter permits additions: Farmers' wives are, at least technically, least likely of all to be employed (22%), followed by the wives of self-employed professional and technical workers (28%). At the time of this survey, 38% of all white and 55% of nonwhite wives were employed, compared to an overall average of 23% in 1952.

Miller also offers data on white craftsmen, foremen, and operatives who headed husband-wife families and had earnings in the $4-8,000 and $8-12,000 range in 1969. For the two income groups respectively, 47% and 42% of these blue-collar workers had working wives, and median earnings of these wives were $3,392 and $3,459.

Finally, Miller's analysis indicates that, among husband-wife families where the wife worked, the median earnings of white husbands rose more rapidly than their wives' during the 1960's for all husbands' occupational groups except for service workers and laborers: 27% for husbands in the craftsmen and operative group, versus 23% for their working wives; 32% for professional and managerial husbands, and 16% for their wives; 28% for clerical and sales husbands, 24% for their wives; and 17% for husbands in the service and laborer category, compared to 21% for their wives. The reverse of the general tendency for whites occurred for nonwhite husband-wife families with a working wife. Overall, these men's median earnings increased by 68%, their wives' by 88%. For the nonwhite craftsmen and operative husbands, the figures were 52% and 72%.

Only in the white service workers and laborers category did husbands' earnings rise more for the families where the wife did not work than for those where she did (25 versus 17%). For the white craftsmen and operatives, the difference was negligible; for nonwhite craftsmen and operatives (as for all nonwhite husband-wife families) it was very large: the nonwhite husbands without working wives improved their median earnings by only 32%, compared to 52% where the wife worked. For husbands in all nonwhite husband-wife families, the percentages were 50% and 68%.

My most recent Census publication--on household income in 1973--does not distinguish husband-wife households or wives' income or earnings, but it does provide data comparing household heads' income to total household income for "multi-person households with all persons related to the head."* While bearing in mind that a high percentage of these households at all income levels have some income from other sources than earnings, some indication of the wife's contribution to 1973 family income may be derived from these data.

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*These are 78% of all households, with median income in 1973 of $12,103, and are equivalent to the Census "family" category.

Despite the working wives, national median income for all of these households was only reached or exceeded by the median income of those where the head's income exceed $10,000. However, 16% of families where the head's income (including female heads) was $4-5,000 and 24% where it was $5-6,000 had total income over $10,000. Where the head's income was $7-10,000, 36% had total income of $12,000 or more; for 18%, total income was $15,000 or higher.

At the opposite extreme, about 40% of families with head's income of $3-6,000 had little or no other income in 1973, a status which drops to 30% where the head's income is $7-10,000. This seems to reflect the high concentration of one-parent ("female-headed") families at the lower income levels. However, despite this factor, the difference between median and mean total family income at various levels of family heads' income may be read as indicating that head's income becomes progressively a better indicator of total family income as his or her income rises. Thus, for all families, median income is 89% of mean, but for those where the head's income is $1-2,000 it is only 66%, rising to 81% for head's income of $4-5,000 and 86% for $6-7,000. (However, I am not certain that this interpretation is correct.)

Data relating to the income group distribution of white and black children in female-headed families where the mother does and does not work were presented elsewhere.* Other government data on employment of nonaffluent female household heads are not very illuminating, since they do not distinguish among age groups. Some insights are provided by the Income Dynamics Panel Study.* According to this source, seventy percent of "single women with children" earned some money in 1971. The following table subdivides "single women with children" by reference to a ratio of income to needs which may be read as poverty line = 1.00. Upper limit to NA households would be about 2.99.

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*Jane Newitt, op. cit., Chapter V, Appendix B.

Table 5

PROPORTION OF SINGLE WOMEN WITH CHILDREN WHO WORKED IN 1971 AND THEIR AVERAGE HOURS OF WORK

INCOME/NEEDS RATIO	% EMPLOYED	AVERAGE HRS. WORKED FOR THOSE EMPLOYED
Less than .80	40%	295
.80 - 1.19	62	714
1.20 - 1.59	64	931
1.60 - 1.99	72	1172
2.00 - 2.39	84	1523
2.40 - 2.99	96	1493
3.00 - 3.99	91	1578
4.00 or more	84	982

(sample size = 717)

Finally, the 1974 NORC survey provides some indications of attitudes toward women working. Sixty-four percent of nonaffluent respondents believe that "it is all right for a woman to work even if she has a husband to support her." This is slightly closer to the lower affluents' 69% than to the poor's 56%, but much lower than the middle and upper affluents' 81 and 82%. As might be expected, agreement with this statement is much more sensitive to age than to income level, with a range of 33 to 83% by age groups for the under-$6,000 income respondents, and of 51-84% for those with over-$6,000 incomes. The range by educational level is smaller for the poor (46 to 83%) but similar for the nonpoor (56 to 87%).

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*Five Thousand American Families, Vol. 1, pp. 233, 239.

Interestingly, the nonaffluents, lower affluents, and poor are markedly more likely to give an affirmative answer to the question, "If your party nominated a woman for President, would you vote for her if she were qualified for the job?" than to approve of working wives. The percentages here are 79% for the nonaffluent, 71% for the poor, while all three affluent groups are in the 82-84% range. Again, there are greater differences by age, especially among the poor (Range=61-92%), but the high school and college graduates, poor and nonpoor, are quite similar (Poor=80/80%, Nonpoor=84/87%), differing sharply from those with less than a high school education (Poor=65%; Nonpoor=74%).

When Gallup polled women on their attitudes about work in the summer of 1970, the nonaffluent nonworkers were somewhat more likely than the affluent ones to express the wish for a part-time or full-time job outside the home (21 and 28%, vs. 14 and 13%, with the percentages for the poor falling inbetween). Nonaffluent women were also a bit more likely (68-69%) than the affluent (63%) or the very poor (59%) to believe that women in the United States "get as good a break as men." There were more marked income differences in the prevalence (among women) of the view that a woman has as good a chance to become the executive of a company as a man, if she has the same ability: P=48, 52%; NA=43, 38%; A=31, 28%. Only among women with family incomes of $15,000+ did a minority believe that women could run most businesses as well as men (45%, vs. 54-58% for other groups).*

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*Gallup Opinion Index, September 1970, pp. 3, 4, 6, 7.

Considering that the NORC sample represents the full adult age spectrum, a surprisingly large number of respondents say that their own mothers worked for one year or longer after marriage. The range here is small: P=43%, NA=48%, LA=45%, MA=50%, and UA=49%. Among the respondents whose mothers held jobs, the nonaffluent were most likely to have a mother who worked before the respondent started first grade (54%,[*] range for other groups=32-46%) or who worked for a year or longer when the respondent was about age 16 (74%,[**] Range for other income groups=65-68%). The range of respondents' mothers who worked at any time after marriage, 43-50% as specified above, is almost certainly not incompatible with the Census' historical data on percentage of employed married women by age for specific years. Considering the generally high congruence of NORC and Census findings where comparisons can be made, the NORC figures are probably a reasonably accurate representation of the numbers of married women who had some experience of post-marital employment at a time when annual employment rates for married women were quite low.[***]

Additional detail may be added to this picture by comparing the positive responses of the poor and nonpoor by age:

PERCENT WHOSE MOTHER WORKED ONE OR MORE YEARS AFTER MARRIAGE

RESPONDENT'S AGE	UNDER $6,000 INCOME	OVER $6,000 INCOME
Under 30	55%	66%
30-49	44	50
50-69	27	28
70 and over	46	24

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[*] In other words, 26% of all nonaffluents' mothers.

[**] 46% of all nonaffluents' mothers.

[***] However, there were a large number of nonresponses to the question on mothers' employment, especially among the elderly and middle-aged poor.

One may speculate that the high levels of nonresponse and the irregular progression of percentages for the older poor may reflect confusion among the large numbers who grew up on farms. (This confusion was historically shared by the Census Bureau which, after the Civil War, sometimes listed Negro farmwives--but not white ones--as gainful workers.) In any case, the interesting point is the large percentages of nonpoor respondents under age 50 whose mothers had some post-marital employment experience. Like the Income Dynamics Study's information on changes in income status, this illustrates the great desirability of supplementing one-year data with longitudinal data, and recommends bearing in mind the importance of this additional perspective even when it is absent.

3. Multiple Job-holding

I have no data relating multiple job-holding directly to income. In May, 1974, less than 6% of men and less than 3% of women reported holding more than one job. This was the lowest figure in recent years for men. The usual weekly earnings at the primary job of men who hold more than one job are typically rather high: 26% earning $250 or more, 18% between $200 and $249, 21% between $150 and $199, 15% at $100 to $149, and 20% usually earning $100 or less a week at their main job. Data from the previous year's survey indicated that, among male workers, 19% of noncollege teachers held second jobs and 14% of policemen, firemen, and other protective service workers; also 11% of male workers in the postal service. Rates for other primary occupations were much lower. About a fifth of male second jobs were in agriculture, and about 17% involved nonagricultural self-employment.

Looking again at the 1974 report, 36-39% of the men with usual primary job weekly earnings of under $200 said that they held more than one job "to meet regular expenses," compared to 34% and 22% of the higher earnings groups. The second most common reason offered was "enjoy the work." Except for the lowest and highest paid workers, this response was given by 13% to 19%, the percentage rising with income. Of the lowest and highest paid, 9% and 27% respectively offered this reason. The third most common answer was "to save for the future": 8%-12% with no income pattern. The two lowest paid groups were most likely (9-10%) to say they held a second job "to buy something special," while primary earners in the $100-$200 range most often said "to pay off debts" (8-10%) and those over $200 most commonly responded "to get experience."

Among the small percentage of women workers who held more than one job, slightly less than half were currently married. Over half had primary job weekly earnings under $100, and only 12% were over $200. Thirteen percent were nonwhites, compared to 8% for men. The 1973 survey showed that both the primary and secondary jobs of these women were most commonly in professional work, especially (but not overwhelmingly) teaching, and in retail sales. About 15% were self-employed in the second job. The distribution of reasons for holding more than one job is similar to that for men, except that women at all primary job earnings levels are slightly more likely to say that they do so because they enjoy the work, want to buy something special, or "to aid a friend or relative"; and they are slightly less likely to cite the need to meet regular expenses, save for the future, or get experience.[*]

4. Some Odds and Ends

Before considering the occupational and industry distribution of the nonaffluent, some other statistics bearing on their employment behavior may be reviewed. In another chpater in this volume, I have provided details on sickness and absenteeism.[**] I summarize the principal findings here:

--No more than 7% of workers in either nonaffluent or affluent families report chronic health conditions severe enough to limit major activity in any occupational category except for farmers (12-14%), a group whose average age is quite high. By contrast, the percentage for the poor is as low as 7% only for clerical workers, with 24% of poor farmers partially disabled by chronic health conditions, 19% of managers, and 11-14% of most other groups.

--While average days of work loss per year due to illness decline as income rises, there is little variation by sex or race. Aggregate data showing higher absenteeism of blacks and women are largely explicable in terms of the high concentration of blacks and women at lower income levels. (Of course, it is possible to dispute the direction of causality in this statement.)

--Among workers reporting respiratory and other acute conditions, the percent who had received medical attention does not differ greatly by occupation: for managers, 71%; for operatives and professionals, 68%; for laborers, 62%. Managers were the group second least prone to such conditions and most likely to see a doctor; laborers were least prone and least likely to see a doctor.[***]

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[*] Allyson Grossman, "Multiple Johbolding in May 1974," Monthly Labor Review, February 1975, pp. 60-64; and Kopp Michelotti, "Multiple Jobholding, May 1973," MLR, May 1974, pp. 64-69.

[**] "Nonaffluent Behavior and Attitudes Related to Health and Well-Being," (A-3) from Jane Newitt, op. cit., Chapter VIII.

[***] These data are for 1961-63.

Among employed nonaffluents (male and female) fewer than 10% work fifty or more hours a week, compared to 7% of the poor and to 17 and 22% of the middle and upper affluents, assuming that self-reports on work hours are accurate.

The commonest distance to work is two to five miles for both the near-poor (16%) and the near-affluent (20%). Among the most affluent workers, 21% travel this distance, an equal percent traveling 15 miles or more. Only 7% of the near-poor workers commute fifteen miles or more, and 16% of the near-affluent. (Income Dynamics Panel Survey).

More than 85% of nonaffluent workers commute by car, slightly more than of the poor workers, slightly less than the affluent groups; among these nonaffluent workers, 85% drive to work alone.*

C. Occupation and Industry Breakdown of Nonaffluent Workers

1. Special Categories

a. The Military

In 1973, the nonaffluent comprised a majority of households heads who were in the armed forces; the NA-L were 22% of the national total, the NA-U 28%. On the other hand, looking at all adults by income group, the NORC survey indicates that the percentage who have ever been in the military rises with income from 22% for the nonaffluent to 25-33%, progressively, for the affluent groups. In other words, close to four-fifths of nonaffluent adults (including women) have no military service experience, compared to two-thirds of the $20,000+ income group.

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*A draft report from a Ford Energy Policy Project Study.

b. Farming

In 1972, NA-L family heads were 12% of all employed family heads but 35% of agricultural laborers. Looking separately at blacks, those in the NA-L family income range were 22% of all employed black family heads, and 27% of those working in agriculture. By contrast, NA-U family heads were represented in agricultural employment roughly proportionally to their percent of all employed family heads (19 and 17%, respectively). Black NA-U family heads were only 13% of all black family heads employed on farms, much less than their 20% of all employed black family heads. As stated earlier, total black farm employment declined fron 750,000 to 233,000 during the 1960's. (In 1910, it had been 2.3 million.)

Overall, nonaffluent household heads account for 30% of the national total, but for 32% of farm owners and managers and for 53% of farm laborers and supervisors. Farm ownership is heavily concentrated among the poor, 7.1% of whom are farm owners or managers, compared to 4.3% of the NA-L.* This difference is less pronounced for the farm-laborer category, which accounts for the employment of 4.4% of poor household heads and 3.5% of NA-L household heads. Presumably, the relatively large numbers of farm-laborer heads in the nonaffluent household income group reflect a high prevalence of multiple earners in these households, rather than household head earnings in the $4-7,000 range.

While farm employment and ownership drop as income rises, the NORC survey indicates that membership in farm organizations rises. Of the total

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*However, average income of farm owning families has recently begun to rise, reflecting rising prices for farm products as well as the continuing disappearance of marginal farms.

NORC sample, 2% of nonaffluent respondents and 4% of lower-affluents belong to farm organizations, compared to 7-8% of middle and upper affluents.*

c. The Self-Employed**

The NA-L's 12% of employed family heads account for 16% of all self-employed family heads. The figures for blacks in this income range are 22 and 28%. The NA-U's 17% are proportionally represented among self-employed family heads, but the 20% of Negro family heads that are in this income range account for only 14% of self-employed Negro family heads.

d. Government Employment (federal, state and local)

NA-L family heads are only 9% of family heads employed by government; however, among blacks they are 18% of black government workers. The black NA-U family heads are proportionally represented, but all NA-U heads are slightly underrepresented (14%). For both Negroes and whites, government employment is concentrated in the $15-25,000 household income range. This range includes 28% of white employed family heads but 35% of those employed by government; and 15% of black employed family heads but 22% of the government-employed.

2. Occupational Distribution

The basic 1972 data for family heads were presented in Table 1 at the start of this chapter. Looking at the more comprehensive household head category for 1973, the differences in occupational distribution of the employed are sufficient to warrant presenting the two sets of figures in parallel, even though the reasons for the differences may be obscure:

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*Farm residence and employment are summarized in Table L following this chapter.

**Source for (c) and (d): CPR, P-60, No. 90, p. 101.
Sources for (a) and (b): CPR, P-60, No. 96; NORC.

Table 6

OCCUPATIONAL DISTRIBUTION OF NONAFFLUENT FAMILY (1972) AND HOUSEHOLD (1973) HEADS

OCCUPATION	NA-L HH HEADS	 FAM. HEADS	NA-U HH HEADS	 FAM. HEADS
Professional, technical	7%	6%	11%	8%
Managers, administrators	7	7	9	9
Farm owners, managers	4	6	3	4
Farm laborers, foremen	4	3	1	1
Craftsmen, foremen	13	17	19	23
Operatives	21	23	21	24
Service workers	17	15	11	9
Laborers, nonfarm	7	8	7	8
Clerical workers	15	10	13	10
Sales worker	5	5	5	5

Possibly the fact that the household data are one year more recent provides evidence of a continuing gradual shift of employment away from the craftsmen and operative categories and into the clerical, service, and professional groups. A surely more important factor is the influence on the household data of one-person households headed by an employed woman, who, in the nonaffluent income range, would more probably be employed as a clerical or service worker than in a blue-collar job. In Herman P. Miller's analysis of all husband-wife families, the percentage whose head was in the combined clerical and sales categories or the combined service and laborer categories actually declined very slightly (1% for each) during the sixties, while the percent of heads of such families employed as craftsmen and operatives rose by 7%, and those employed as professionals or managers by 46%. Of course, these data pertain to all husband-wife families; the trend for the nonaffluent (1952-1972) was shown in Table 1.

For a further comparison, Table 7 below repeats the household-head occupational profile together with the profiles for the middle affluents and the poor:

Table 7

OCCUPATION DISTRIBUTION OF POOR, NONAFFLUENT, AND MIDDLE AFFLUENT HOUSEHOLD HEADS, 1973*

OCCUPATION	POOR	NA-L	NA-U	MIDDLE AFFLUENTS
Professional, technical	8%	7%	11%	20%
Managers, administrators	8	7	9	19
Farm owners, managers	7	4	3	2
Farm laborers, foremen	4	4	1	.3
Craftsmen, foremen	9	13	19	23
Operatives	14	21	21	13
Service workers	27	17	11	5
Laborers, nonfarm	6	7	7	3
Clerical workers	11	15	13	8
Sales workers	6	5	5	7

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*Middle Affluents = $15-25,000.

Note that the craftsmen-foremen category accounts for the largest single percentage in the middle-affluent group. Only for households with incomes $25,000 and over is craft employment (11%) subordinated to professional and technical (31%) and managerial work (34%). Note also the low-paying character of the service occupations.

The role of the nonaffluent in the larger picture of the labor force is indicated by Table 8, which lists the percentage these household heads contribute to total household-head employment, by occupational group. Because nonparticipation in the labor force is twice as high for NA-L as for NA-U household heads, the latter account for the larger share of the combined percentage in all categories except the two farm groups and the service workers:

Table 8

NONAFFLUENTS' SHARE OF TOTAL HOUSEHOLD-HEAD EMPLOYMENT BY OCCUPATIONAL CATEGORIES, 1973

OCCUPATION	SHARE OF NONAFFLUENT
% of all employed hh heads	27%
% of:	
Professional, technical	16
Managers, administrators	15
Farm owners, managers	32
Farm laborers, foremen	53
Craftsmen, foremen	22
Operatives	33
Service workers	41
Laborers, nonfarm	41
Clerical workers	39
Sales workers	22

3. Industry Distribution of Nonaffluent Family Heads, 1972

Family heads comprise somewhat more than half of the workforce. These 45 million workers in 1972 had a median income of $12,295. Twelve percent had incomes in the NA-L and 17% in the NA-U range. Table 9 presents a full breakdown of NA-L and NA-U family head civilian employment by occupational categories within industry groups. NA-L heads are notably over-represented in the primary industries except for mining, in personal services, entertainment and recreational services, and, to a lesser extent, in business and repair services and retail trade. They are notably under-represented in public administration (which is only about a quarter of total government employment).

Within all industry groups, except public administration, the NA-L family heads have double or more their "share" of jobs in the miscellaneous workers category. They are proportionally represented among

Table 9

NONAFFLUENT SHARE OF TOTAL EMPLOYMENT OF FAMILY HEADS, BY INDUSTRY AND OCCUPATION OF LONGEST JOB IN 1972

	SHARE OF TOTAL EMPLOYMENT NA-L	NA-U	TOTAL EMPLOYED (MILS.)	MEDIAN FAM. INC.
TOTAL FAM. HEAD EMPL.	12%	17%	45.0	$12,295
AGRIC., FORESTRY, FISHERIES	25	19	2.5	7,303
MINING	11	16	.6	12,253
CONSTRUCTION, TOTAL	13	17	4.3	11,866
Prof., managerial	6	9	.6	17,276
Clerical, sales	15	16	.1	12.869
Crafts, operatives	13	20	3.0	11,657
Other workers	20	24	.6	9,408
MANUFACTURING, TOTAL	10	18	13.0	12,652
Prof., managerial	2	5	2.6	18,445
Clerical, sales	8	18	1.1	12,452
Crafts, operatives	11	21	8.4	11,702
Other workers	19	27	1.0	9,865
Durable manufactures, total	9	18	8.3	12,845
Nondurables, total	11	17	4.7	12,307
TRANSPT., COMMUNICS., & OTHER PUBLIC UTILITIES, TOTAL	9	15	3.7	13,378
Prof., managerial	2	6	.7	18,465
Clerical, sales	10	17	.5	12,784
Crafts, operatives	9	16	2.2	13,040
Other workers	19	25	.4	9,663
WHOLESALE TRADE, TOTAL	10	14	2.3	13,920
Prof., managerial	3	6	.7	18,393
Clerical, sales	9	14	.9	14,264
Crafts, operatives	13	22	.6	11,458
Other Workers	34	19	.1	8,635
RETAIL TRADE, TOTAL	15	20	5.5	10,748
Prof., managerial	8	16	1.9	13,322
Clerical, sales	17	22	1.3	10,172
Crafts, operatives	18	24	1.4	10,212
Other workers	25	21	.9	7,158

Table 9 (cont'd)

	SHARE OF TOTAL EMPLOYMENT		TOTAL EMPLOYED (MILS.)	MEDIAN FAM. INC.
	NA-L	NA-U		
FINANCE, INS., REAL EST., TOTAL	11%	13%	2.0	$14,460
Prof., managerial	5	8	.7	17,583
Clerical, sales	12	15	1.1	14,089
Other Workers	28	22	.2	7,667
BUSINESS & REPAIR SERVICES, TOTAL[1]	16	21	1.5	10,567
Prof., managerial	6	12	.4	16,215
Clerical, sales	21	24	.2	9,375
Crafts., operatives	17	24	.7	9,841
Other workers	30	23	.2	7,984
PERSONAL SERVICES, TOTAL[2]	22	17	1.1	6,871
Prof., managerial	9	15	.2	13,451
Crafts., operatives	26	26	.2	7,688
Other workers	27	17	.7	5,331
ENTERTAINMENT & RECREATIONAL SERVICES, TOTAL	20	22	.4	9,625
PROF'L & REL. SERVICES, TOTAL[3]	12	15	5.2	13,525
Prof., managerial	6	11	3.4	16,927
Clerical, sales	27	27	.4	8,357
Crafts., operatives	9	23	.3	12,083
Other workers	28	16	1.1	7,913
PUBLIC ADMINISTRATION, TOTAL[4]	6	12	2.9	14,677
Prof., managerial	3	8	1.0	18,473
Clerical	7	14	.7	13,467
Crafts., operatives	7	12	.3	13,291
Other Workers	8	15	.8	13,286

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[1] Business and repair services include advertising, detective services, computer programing services, commercial R&D and testing labs, employment and temporary help agencies, automobile and electrical repair services, and others.

[2] Personal services includes primarily employment in private households, public lodging facilities, laundries, beauty and barber shops, shoe repair, and dressmaking shops.

[3] E.g., by doctors, hospitals, lawyers, public and private schools, museums, engineering and accounting firms, welfare services, churches, and non-profit membership organizations.

[4] Includes postal service.

SOURCE: CPR, P-60, No. 90, P. 99.

craftsmen, foremen, and operatives in most industrial groups. So far as clerical and sales employment is concerned, the NA-L family head is most commonly found among the small numbers of such workers in professional or business and repair services, or the large numbers in retail trade. Professional or managerial employment of NA-L family heads is not common, but there are 152,000 such workers in retail trade, 8% of the total, and a similar percentage (although many fewer) in personal services.

NA-U family heads are also over-represented in many of the "other worker" groups. In other categories, they notably exceed their "share" of clerical and sales workers in professional and in business and repair services (both very small groups), in the also small blue collar category in both these industries, and among craftsmen, foremen and operatives in the more numerous wholesale and retail trade groups, and in manufacturing.

Among industry groups, the NA-U heads are markedly under-represented in public administration and in finance, insurance, and real estate. They are markedly over-represented in the small entertainment and recreational services industry. They approach their share of professional and managerial employment only in retail trade.

When I calculate the absolute numbers of nonaffluent family heads by industry on the basis of my rounded totals in Table 9, they show the following ranked distribution by NA-L and NA-U groups (numbers of workers in thousands):

RANK		NA-L (%)		NA-U (%)
1.	Manufacturing	1,300 (24)	Manufacturing	2,340 (31)
2.	Retail trade	825 (15)	Retail trade	1,100 (14)
3.	Agric., etc.	625 (11)	Prof. services	780 (10)
4.	Prof. services	624 (11)	Construction	731 (10)
5.	Construction	559 (10)	Transp. utils.	555 (7)
6.	Transp., utils.	333 (6)	Agric., etc.	475 (6)
7.	Personal services	242 (4)	Pub. admin.	348 (5)
8.	Business, repair ser.	240 (4)	Wholesale trade	322 (4)
9.	Wholesale trade	230 (4)	Bus., repair serv.	315 (4)
10.	Finance, etc.	220 (4)	Finance, etc.	260 (3)
11.	Pub. admin.	174 (3)	Personal serv.	187 (2)
12.	Entertainment, etc.	80 (1)	Mining	96 (1)
13.	Mining	66 (1)	Entertainment, etc.	88 (1)
		5,518		7,597

Substantial percentages of nonaffluents are not employed fulltime year round. I do not have industry distribution data on this point for family heads, but some statistics on male and female workers are presented in Tables D-G following the chapter. The figures for males treat the nonaffluent group as having $3-8,000 earnings. Major shifts in their share of all employment in the various industries occur if we compare fulltime, year-round male workers with these earnings to the whole earning group. Among male workers in the nonaffluent earnings range, fulltime year-round workers are 66% of all nonaffluent workers.* However, the nonaffluents' share of male employment changes by industry as follows when only year-round fulltime working men are considered:

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*By contrast, under $3,000 earnings, fulltime, year-round workers are only 14% of all male workers with such earnings. For earnings of $10-15,000, the figure is over 90%, for $15-25,000 it is 92%; for earnings $25,000 and over, 93%; for $8-10,000, 84%. Within NA earnings, the breakdown is NA-L=47%, NA-U=73%.

		(% change)
Agriculture, etc.	Up 10 points	+36%
Mining	Down 7 points	-29
Manufacturing	Down 3 points	-10
Transportation, etc.	Down 4 points	-15
Wholesale trade	Down 2 points	-08
Retail trade	Up 7 points	+23
Finance, etc.	No change	0
Business, repair services	Up 4 points	+13
Personal services	Up 25 points	+109
Entertainment, etc.	Up 17 points	+68
Professional, etc.	No change	0
Public administration	Down 3 points	-16

These differences--the larger changes--may be construed as showing those industries where part-time employment is concentrated: low-paying part-time employment in the "+" cases--farming, retail trade, personal services, entertainment--and high-paying part-time employment in the contrary case of mining.*

D. Union Membership

While I do not have government data on union membership by family or household income, the NORC 1974 survey indicates that 20% of nonaffluent respondents are members of labor unions, compared to 9% of the poor, 21% of the lower affluents, 19% of the middle affluents, and 16% of those with household income $20,000 and above. The attitude questions indicate that the nonaffluent and the poor are most likely to feel a "great deal" of confidence in the leadership of organized labor (21 and 20%) with the percentages declining from 18 to 12% for the affluent groups. The nonaffluents are also least likely to express "hardly any" confidence (20%, with the range for other groups extending from P=23% to UA=38%). However, in the spring of 1974, none of the twelve leadership categories evoked a higher response of "hardly any confidence" even for the nonaffluent, with the exception of the federal executive (44%).

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*See also Appendix B to this chapter, "Occupations With Media Earnings Advantage for Blacks."

Looking at the group breakdowns of the over-$6,000 respondents, who account for the vast majority of union members, it is not consistently true that the percentages expressing a great deal of confidence in the leadership of organized labor are as high or higher than the percentages of actual union members. Some of the comparisons are:

Table 10

UNION MEMBERSHIP AND EXTENT OF "HIGH CONFIDENCE" IN UNION LEADERSHIP BY SUBGROUPS OF THE NONPOOR, 1974

SUBDIVISIONS OF OVER-$6,000 INCOME GROUP		% WHO ARE UNION MEMBERS*	% WITH HIGH CONFIDENCE IN UNION LEADERSHIP
RACE:	WHITE	19%	17%
	BLACK	25	22
SELF-IDENTIFIED CLASS:			
	Working Class	27	21
	Middle Class	12	14
EDUCATIONAL ATTAINMENT:			
	Less than high school	30	24
	High school graduate	18	18
	College graduate	10	5
AGE:	Under 30	16	18
	30-49	18	14
	50-69	24	20
	70 and over	20	24

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[*] Bear in mind that respondents are roughly equally male and female workers.

The surprise here is the narrowness of the range for both questions except for the educational groups, plus the slight tendency for both union membership and approval of union leadership to be concentrated at the higher ages, and the fact that only slightly over a quarter of those who call themselves working class are union members and only a fifth have much confidence in union leadership.*

The most recent data on income correlates of union membership are provided by the May 1973 Census Bureau Current Population Survey, as analyzed by Paul M. Ryscavage.** The Survey permitted inquiry about "usual" hourly earnings, and indicated (the author states) a greater union advantage than earlier studies using different data, especially for white and black men in the transportation equipment operative category (40% higher "usual" wage than comparable nonunion workers), for craftsmen (20-25%), and for female clerical, operative, and service workers (20-25%).

Ryscavage's sample was selected from union and nonunion wage and salary workers, ages 16 and over, who usually worked fulltime in private nonfarm occupations (excluding household workers). It thus omits municipal and other governmental workers, a unionization growth category on which I have not located information. A regression analysis was performed with respect to race, sex, age, region, education, and occupational variables. With age, education, region, and occupation held constant, the "union effect" on hourly wage was estimated to be about 12% for all workers, but this advantage subdivided by race and sex as: White men=8%, black men=27%, white women=22%, and black women=19%.

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*About half of nonaffluents would favor a law to "end union featherbedding," about the same as the poor and the lower affluents, but many fewer than the upper affluents (67%). Gallup Opinion Index, March 1973, p. 30.

**Ryscavage, "Measuring Union-Nonunion Earnings Differences," Monthly Labor Review, December 1974, pp. 3-9. The author notes that Survey respondents are quite often housewives who may be guesstimating their husbands' pay. This caveat, however, applies to all CPR statistics. More problematic is that Ryscavage's "usual hourly wage" is computed from data on usual weekly earnings and hours, which must further reduce the reliability. I present his findings as the most recent, but provide a summary of an early, more straightforward Census survey as an appendix to the chapter.

When other factors were controlled, the largest regional union-member advantages were found in the South Central (18-20%), West North Central (22%), and Mountain States (18%), and the smallest in the New England (5%) and Middle Atlantic (4%) states. The union advantage was particularly high for blacks in the south and west. When union membership is "controlled," considerable usual-wage differences remain between white and black males, but the difference between white and black females becomes negligible.

E. Attitudes of Nonaffluents

Even in the MA and UA income groups, sizeable percentages of the NORC survey's respondents in 1974 describe themselves as working class--41% and 20%. For household incomes below $15,000, a majority do so: Lower affluents=57%, Nonaffluents=58%, Poor=50%. The nonaffluents and the poor are virtually identical in the percentages (35, 34%) thinking of themselves as middle class; for the lower-affluents, the figure is 40%. Twelve percent of the poor and 4% of the nonaffluents call themselves lower class. An upper class self-designation by 8% of upper affluents adjoins a .5% for the middle affluents and 2% for the lower affluents and nonaffluents. Perhaps whimsically, 4% of the under-$6,000 income respondents call themselves upper class.*

Overall, the similarities between nonaffluents and lower affluents are striking. When I cumulate the percentage differences between adjacent income groups' class identification responses, the sums are as follows:

Poor and Nonaffluent - 19 points
Nonaffluent and Lower affluent - 9 points
Lower affluent and Middle affluent - 35.5 points
Middle affluent and Upper affluent - 42 points.

Note that the total difference between lower affluents and the poor (28 points) is considerably less than the gaps between the class self-perceptions that differentiate adjacent affluent income groups from each other. Since we know that these affluent income groups are not rigid but have been very rapidly enlarging in the past few decades--recall that in 1952, 85% of American families had incomes below the 1972 median, in constant dollars--the magnitude of these differences is hard to interpret. Thus, without myself attempting interpretation, I will include a further breakdown of working and middle class self-identification in the total group with household incomes over $6,000:

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*Earlier polls indicate remarkably little change in class self-identification distribution for the public at large:

1945 - Middle Class 43%	1952 - 35%	1960 - 32%	1966 - 40%
Working Class 51%	59%	64%	58%

Also, a high percentage of Americans are reluctant to identify themselves with any class. Source: J.P. Robinson, et. al., Measures of Occupation Attitudes and Occupational Characteristics, University of Michigan Survey Research Center, February 1969.

Table II

BREAKDOWN OF CLASS SELF-IDENTIFICATION AMONG THE NONPOOR

INCOMES OVER $6,000	WORKING CLASS	MIDDLE CLASS
AGE: Under 30	48%	45%
30-49	46	50
50-69	46	49
70+	35	59
REGION: East	38	56
Midwest	52	46
South	43	49
West	50	44
RELIGION:		
Protestant	47	47
Catholic	47	51
Other	26	67
None	49	49
EDUCATION:		
Grade school	62	32
High school	49	47
College	18	77
RACE: White	45%	51%
Black	65	28
OCCUPATION:		
Prof., tech.	24	73
Mgr., sales	24	67
Clerical	48	49
Crafts., foremen	62	33
Oper., laborers	66	29
Farmers, farm workers	42	50*
Service wkrs.	65	27
POLITICAL PARTY: Dem.	51	46
Rep.	31	60
Ind.	49	43

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*8% of farm-employed with $6,000+ incomes called themselves lower class.

Thus (this is not "interpretation"!) the "typical" nonpoor person who views himself or herself as working class is a young, black, Democratic blue-collar or service worker living in the Midwest or West, while the "typical" person who views himself or herself as middle class is a middle-aged, white, Jewish, Republican professional worker who lives in the Northeast. An interesting minor item in the table is that, despite the strong concentration of nonpoor farm owners as well as farm workers near the bottom of the $6,000+ income range, 50% (which could mean 90% of farm owners) view themselves as middle class, in lingering testimony to a bygone American culture.

Several other attitude questions related to employment are discussed in another chapter of this volume for their bearing on the mental health of nonaffluent Americans.* As noted there, among the so-called "anomie" questions, those bearing on money and employment show much the lowest rate of agreement by nonaffluent respondents. At tne extreme, while 78% of nonaffluents agree with the statement, "These days a person doesn't really know who he can count on, "only 24% agree that, "To make money, there are no right and wrong ways any more, only easy and hard ways," and only 81% believe that luck is more important than hard work in "getting ahead." Indeed, the nonaffluent (64%) and the poor and lower affluents (63% each) are more likely than the more affluent (57, 61%) to believe that hard work is more important than luck. Looking at the total over-$6,000 group, belief in the efficacy of hard work varies negligibly by age or education. However, and not surprisingly, the view that hard work is more important than luck is 20% more common among whites than blacks. Since the nonpoor blacks are concentrated in the nonaffluent income range, this makes the nonaffluents' strong faith in hard work even more impressive, although the insignificance of the total range by income groups (57-64%) is the most important point to note.

As to how Americans view their personal economic situation, about a quarter of the nonaffluents, lower affluents and poor are "pretty well satisfied" with their financial condition, compared to 35% of middle affluents and a bare majority of respondents with incomes of $20,000 or more. Among the two top income groups, 12 and 9% describe themselves as

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*"Nonaffluent Behavior and Attitudes Related to Health and Well-Being," from Jane Newitt, _op_. _cit_., Chapter VIII.

"not satisfied at all" with their financial state, and 38% of the poor and a quarter of the nonaffluents and lower affluents share this sentiment.

In the spring of 1974, a third of nonaffluents said that their financial situation had improved in the past few years, 44% saw no change, and 22% claimed a decline. The lower affluents were similar, except that a few more (40%) saw an improvement. Fifty and 62% respectively of middle and upper affluents were better off than a few years back.

Contrary to fact, 70% of nonaffluents and 46% of the poor perceive themselves as having average or above average income. Conversely, 35% of upper affluents believe that their income is average or below average. These figures are all surprising, and their implications about the public constituency for a government program to redistribute income do not appear especially sanguine.

Oddly, many more nonaffluents (44%) say they are "very satisfied" with their jobs than that they are even "pretty well satisfied" with their financial state. Eighty-four percent of nonaffluents and lower affluents are either very or moderately satisfied with their jobs, compared to 92% of middle affluents and 88% of upper affluents.* On the other hand, 36% of nonaffluents, a remarkable 43% of lower affluents, and 26% even of upper affluents indicate they would quit work if they had a comfortable income without working. (Other groups are: P=32%, MA=33%.)

While this response combines the replies of male and female workers, it is interesting to note that a question of this type was first asked of a sample of white male workers twenty years ago: "if by chance you inherited enough money to live comfortably without working, do you think you would work anyway?"[*] Eighty percent of respondents answered positively, combining 86% of middle class and 76% of working class respondents. A rough comparison to current attitudes may be derived from the 1974 would-keep-working percentages for craftsmen, a group with very few female workers. These percentages are 64% for incomes over $6,000 and 55% for lower incomes. (For operatives and laborers, the figures are 61% and 55%, respectively.) By comparison, 49% of the nonpoor and (oddly) 62% of the poor clerical workers, presumably mostly women in both cases, expressed this sentiment.

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*The 78% figure for the poor is suspect because of a "missing observations" rate close to 30%.

In the 1954 survey, 61% of middle class but only 34% of working class respondents said they would continue working at the same job. The middle class workers were more likely to be very satisfied with their present job (42% vs. 27% for the working class) but also a bit more likely to be dissatisfied (21% vs. 16%)

An interesting and subsequently replicated finding of the Morse-Weiss poll had to do with the reasons why men would go on working if given the choice. Forty-four percent of the middle class men cited the interest of the job or the feeling of accomplishment it offered, while only 10% of working class men gave this reason. Seventy-one percent of the working class said they would go on working "to keep occupied." (However, more than a third--37%--of middle class respondents also gave this as their reason.)

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[*] N. Morse and R. Weiss, "The Function and Meaning of Work," American Sociological Review, Vol. 20, No. 2 (April 1955), pp. 191-198. The NORC question is somewhat different: "If you were to get enough money to live comfortably as you would like for the rest of your life, would you continue to work or would you stop working?"

In an effort to cast light on these class differences, the author of a recent essay mentions a discussion he once had with a blue-collar worker:

> "This worker told me, in a rather off-hand way, 'I got a pretty good job.' "What makes it such a good job?' I responded. He answered: 'Don't get me wrong. I didn't say it is a good job. It's an OK job--about as good a job as a guy like me might expect. The foreman leaves me alone and it pays well. But I would never call it a good job. It doesn't amount to much, but it's not bad.'"*

In view of the prevalence of this kind of resigned attitude toward one's job, it is interesting that today even among the nonaffluents and the poor a substantial plurality say that the most desired attribute of a job is that it be interesting and give the worker a feeling of accomplishment. Forty-five percent of nonaffluents take this position, with the range for all income groups 43-66%. Second most important to nonaffluents in the spring of 1974 (strictly speaking, second most likely to be listed as most important) were the income the job provides and the opportunities for advancement. These were listed respectively by 21% (Range=13-22%) and 20% (Range=14-21%) of nonaffluents. Probably those who listed security would be more numerous in 1975, but in early 1974 only 9% of nonaffluents (Range=2-10%) considered security most important. At the very bottom of the list for nonaffluents was short hours: 6%, with a range for other income groups of 4-7%.

Overall, the nonaffluent responses were nearly identical to those of the poor on all preferences. The lower affluents were similar, but somewhat less likely to mention income (15%) or chance for advancement (17%) and somewhat more likely to mention job interest and the feeling of accomplishment (53%), a preference that rises steadily with income level. All of the affluent groups were slightly less interested than the non-affluent or poor in opportunities for advancement, relative to other job attributes, but even the upper affluents gave a 13% vote to income as the most important aspect of a job.

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*George Strauss, "Workers: Attitudes and Adjustments," in The Worker and the Job: Coping With Change (Jerome M. Rosow, ed.), The American Assembly, 1972, p. 87.

In summary, it seems safe to say that the various kinds of psychological dependency on one's job have not increased in the past twenty years, and there may well have been some reduction, but there is no serious evidence of an eroded "work ethic." Indeed, the lure of a jobless life is considerably more common among older than younger workers, just as we may reasonably surmise was true in the past. The NORC breakdown is as follows:

Table 12

% OF THE EMPLOYED WHO WOULD QUIT WORK IF THEY HAD A COMFORTABLE INCOME WITHOUT WORKING, 1974

AGE OF WORKER	UNDER $6,000 INCOME	OVER $6,000 INCOME
Under 30	30%	29%
30-49	31	34
50-69	38	44

On the question of arrangement of work hours, a Gallup survey in 1971 showed a marked preference for the traditional five-day, forty-hour week over a workweek with four ten-hour days. The poor groups were less likely than others to favor the four-day week (27 and 30%); otherwise, variation by income was erratic, with the NA groups accounting for both extremes (34 and 47%). Two years earlier, Gallup asked a number of questions about what people expected to happen by 1990. Except for the $3-5,000 income group (39%) between 29 and 33% of all income groups anticipated a three-day work week by that time!

Appendix A

Earnings Advantages of Union Membership, 1966

Further data on the income correlates of union membership are provided by a Census Bureau report, using 1966 figures. This report shows that, while union membership is less prevalent in top-earnings jobs, median earnings of union members are generally higher than for nonunion private wage and salary workers, with the important exceptions noted below. In 1966, male craftsmen and foremen in unions earned a median of $8,288, 1.23 times the nonunion median for craftsmen; male operatives in unions earned $6,916, 1.25 times the nonunion median; and nonfarm laborers averaged $6,165 for union members, 1.50 the median for nonunion laborers. The advantages for female clerical workers and operatives were slightly less: respectively, $6,082 (1.19 times nonunion median) and $4,164 (1.15 times nonunion median).

Thirty-one percent of male private wage and salary workers were in unions in 1966, and 13% of female. Union members did best relative to nonunion members in the South, where they were also fewest in number: i.e., percent unionized was 20% for men, 7% for women, and the earnings ratio was 1.50 for men and 2.12 for women. For all regions and both sexes, percent unionized rises slightly if only fulltime workers are considered; however, this adjustment eliminates the earnings advantage for male union members in all regions but the South and reduces it for women in all regions. For men in all regions, union membership is slightly more common in metropolitan areas of 250,000 or more people, and the earnings advantage is less in these areas. This relationship applies even more strongly to women.

Median earnings of all union members were 1.88 times those for nonunion members in 1966. The advantage was especially great for Negro males (Union median=$5,495, 2.03 times nonunion median) and Negro females (Union median=$2,792, 2.53 times nonunion median). Overall, only ten percent of males in unions had earnings under $3,000, compared to 32% of other male workers. For Negro males, the figures were 14% and 54%. (Thirty-five percent of Negro male workers were in unions, slightly above the white figure of 31%.)

The most highly unionized industry in 1966 was motor vehicle manufacture. Seventy-seven percent of its male workers were unionized, and 88% of its Negro male workers. Among manufacturing industries, the least unionized was textiles (23%), which also had the lowest median earnings in manufacturing ($4,958) and the lowest earnings advantage for union members (1.13). In most durable goods manufacturing, nonunion workers made more money than union workers. The greatest advantage of union members was in construction (1.71 for males) and retail trade (1.55) which were 44% and 15% unionized respectively. The 13% of female workers who were in unions enjoyed their greatest earnings advantage in services (3.13, 5% unionized) and retail trade (1.97, 10% unionized).

Looking at occupations rather than industries, the greatest male advantage was for nonfarm laborers (5.23, 33% unionized) and service workers (2.58, 19% unionized). Union membership was a drawback for sales workers (.90 of nonunion sales workers' pay, 8% unionized) and of no advantage to professional and technical or managerial workers. Among occupations, the highest rates of male union membership were for assemblers, checkers, examiners, and inspectors in the operative category (63%), metal craftsmen (64%), construction craftsmen, excluding carpenters (57%), and laborers in manufacturing (50%). Farm workers were the least unionized (.9%), followed by the sales workers. The highest level of unionization for women was for the same operative subgroup as for men (40%) and for other operatives (34%).

The highest median earnings for males in unions were for the unionized 10% of managers ($9,111) and the 12% of professional and technical workers ($8,370); these medians were both .99 of the nonunion medians for these occupational categories.

The data on blacks were aggregated for occupations with 100,000 or more black union members. For males, the earnings advantage in these occupations ranged from 2.43 for nonfarm laborers to 1.46 for craftsmen and foremen. The percent in unions varied from 48% for manufacturing laborers to 23% for service workers. Of Negro female operatives, 38% were in unions (compared to 47% for males), with an earnings advantage of 1.73

Appendix B

Occupations With Median Earnings Advantage for Blacks*

In 1970, Negro males were 8.7% of all male workers, and their median earnings were $5,194, or 58% of white male earnings. Negro women were 11.7% of female workers, with median earnings of $3,008, or 82% of white female earnings.

However, in the detailed occupational breakdown, Negro males had higher median earnings than all workers for eight occupational categories, and Negro women were higher than the total for 34 categories, including some with very large numbers of workers.

Presumably, these advantages rarely if ever reflect higher wages for blacks because they are black, although a few may indicate that blacks do better than whites in jobs that were traditionally black. For women, a major factor is unquestionably that black women more often work fulltime than white. Second, for both men and women, blacks are more likely to live and work in large metropolitan areas where salaries and wages are higher than elsewhere.

Males

The male occupations where Negroes have a median earnings advantage account for 3.27 million workers, or 6.6% of all male workers. The largest categories are freight, stock, and material handlers (1.28 million workers of whom 16.5% are black), food service workers (929,000, 13% black), and garage workers and gas station attendants (442,000, 7.7% black). Other male occupations employing more than 100,000 people, with a black earnings advantage, are bus drivers (172,000, 17% black), taxi drivers and chauffeurs (149,000, 21% black), and bank tellers and cashiers (175,000, 7% black).

Black males are 8.7% of all employed males; 11% of black males are employed in occupations where they have a median earnings advantage; and, as stated, these occupations account for 6.6% of all employed males.

None of the black-advantaged male occupations has black median earnings above the national median for all employed males. The closest is bus drivers: there are 172,000 bus drivers, 17.4% are black, and black median earnings are $7,024, compared to white median earnings of $6,682.

All black-advantaged male occuapations have more than 6% black workers, and most are in the 13-20% black range. The occupations, black and white medians, percent black, and total numbers of workers are as follows:

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[*] Statistical Abstract of the United States, USGPO, 1972.

	BLACK MEDIAN	WHITE MEDIAN	% BLACK	TOTAL WORKERS
Bank tellers & cashiers	$4,440	$3,860	6.9	175,000
Garage workers, gas station attendants	3,801	2,768	7.7	442,000
Bus drivers	7,024	6,682	17.4	172,000
Taxi drivers & chauffeurs	5,127	5,113	20.8	149,000
Freight, stock & material handlers	4,553	4,535	16.5	1,280,000
Laborers, wholesale & retail trade	3,616	3,238	17.6	85,000
Food service workers	3,657	2,935	13.0	929,000
Cooks (excl. household)	4,729	3,986	16.0	x
Busboys & dishwashers	1,671	1,389	12.1	x
Private household workers	1,945	1,891	50.0	38,000

Females

Female occupations where Negroes have a median advantage account for 21.4 million workers, or 71% of all female workers. These fall among the major occupational classifications as follows:

Professional and technical workers: 11 sub-categories, totally 3.4 million female workers, or 72% of all female professional and technical workers. The largest sub-categories are elementary school teachers (1.3 million, 10% black), registered nurses (819,000, 7% black), and secondary school teachers (498,000, 8% black). Other categories with over 100,000 workers are health technologists (9% black), librarians (7% black), accountants (4%), and a residual "other teacher" category (4%).

Nonfarm managers and administrators: 2 sub-categories, totally 332,000 women, or 31% of all women in this group. These are school administrators (56,000, 9% black) and a residual managerial category (276,000, 5% black).

Sales workers: 2 sub-categories, totalling 1.7 million women, or 75% of all women employed in sales work. The black percentages are miniscule--4% of the 1.55 million retail sales clerks and 2% of the 133,000 "demonstrators, hucksters, and peddlers."

Clerical workers: 12 sub-categories, totalling 7.4 million female workers, or 70% of all such workers. The largest sub-categories are a miscellaneous group (2.7 million women, 11% black), bookkeepers (1.3 million, 3% black), typists (958,000, 9% black), cashiers (729,000, 6% black) office machine operators (423,000, 10% black), file clerks (309,000, 14% black), receptionists (300,000, 5% black). Other groups with over 100,000 workers are bank tellers (4% black), counter clerks (7%), payroll and time-keeping clerks (4%), and stenographers (5%).

Operatives: 3 sub-categories, totalling 494,000 workers, only 11% of women employed in this category. Blacks comprise 35% of the 260,000 laundry and dry cleaning operatives, 10% of the 137,000 transportation equipment operatives, and 9% of the 97,000 dressmakers and seamstresses (excluding factory employment).

Services, excluding private household: 3 sub-categories, totalling 3.7 million women, or 74% of women in this category. Negro women are 12% of the 2 million food service workers (including 22% of commercially employed female cooks), 25% of the 1.1 million health service workers (including 22% of practical nurses), and 35% of the 628,000 cleaning service workers.

Private household workers: These total 1.2 million. Black women are 55% of the 1.1 million live-out domestic workers and 23% of the 73,000 live-in workers.

All of the female professional, technical, and managerial occupations have median earnings for blacks well above national median earnings for all women, the highest being $9,461 for black women school administrators. These black women are 10% of all (56,000) school administrators, and their median is $1,861 above the general median for this job. The concentration of the earnings-advantaged black women in educational jobs suggests problems for the near future. An increase in black registered nurses (now 7% of 819,000 nurses, with a $35 earnings advantage) seems a likely accommodation.

Among other jobs where black women now have an earnings advantage several involve very small black percentages of large occupational categories. These include 4% of the very low-paid 1.55 million wholesale and retail trade sales clerk positions (black median = $2,553 vs. white = $2,226); 3% of the 218,000 bank tellers (black median = $4,382, white = $4,190); 2.6% of the 1.3 million female bookkeepers (black = $4,642, white = $4,480), and 5% of the 300,000 receptionists (black = $3,680, white = $3,396). There are also large black-advantaged areas that employ many black women: 9% of the 958,000 typists, 14% of 309,000 file clerks, 10% of 423,000 office machine operators. 11% of 2.7 million miscellaneous clerical workers, 35% of 260,000 laundry and dry cleaning operatives, 10% of 137,000 transport equipment operatives, 12% of 2 million food service workers, 35% of 628,000 cleaning service workers, 25% of one million health service workers, including the relatively well-paid practical nurses (black median - $4,773) of whom 22% are black, with an earnings advantage of $537.

72% of black professional and technical women workers are employed in occupations where they have a median-earnings advantage; also,

41% of black women managerial workers;

70% of black women sales workers;

82% of black women clerical workers

19% of black women operatives;

78% of black women service workers;

100% of black women private household workers; and,

0% of black women in farm employment categories.

The occupations, black and white medians, percent black, and total numbers of workers are as follows:

	BLACK MEDIAN	WHITE MEDIAN	% BLACK	TOTAL WORKERS
Accountants	$6,078	$5,818	4.3	187,000
Librarians	6,414	6,009	6.9	101 [illegible]00
Math specialists	8,080	7,177	8.3	12,000
Registered nurses	5,687	5,652	7.3	819,000
Health technologists	5,252	5,182	8.7	184,000
Social scientists	7,845	7,678	4.8	21,000
Elementary & pre-kindergarten teachers	6,573	6,439	9.8	1,323,000
Secondary teachers	6,832	6,723	8.0	498,000
Other (non-college) teachers	4,897	2,283	3.8	132,000
Actors and dancers	4,120	3,975	8.3	12,000
Authors, editors, and reporters	6,251	5,476	2.9	69,000
School administrators	9,461	7,600	8.9	56,000
Other specified managers and administrators	5,938	5,791	5.4	276,000
Demonstrators, hucksters, peddlers	1,747	1,048	2.3	133,000
Sales clerks, retail trade	2,553	2,226	4.0	1,545,000
Typists	4,204	4,046	9.0	958,000
Bank tellers	4,382	4,190	3.7	218,000
Bookkeepers	4,642	4,480	2.6	1,290,000
Cashiers	2,791	2,429	6.4	729,000
Counter clerks, exc. food	3,030	3,027	6.9	159,000
Enumerators and interviewers	2,701	1,557	7.4	54,000

	BLACK MEDIAN	WHITE MEDIAN	% BLACK	TOTAL WORKERS
File Clerks	$3,667	$3,460	13.6	309,000
Office machine operators	4,674	4,547	10.4	423,000
Payroll and timekeeping clerks	5,531	5,164	4.5	111,000
Receptionists	3,680	3,396	5.3	300,000
Stenographers	5,371	5,213	4.9	123,000
Miscellaneous clerical and kindred	4,146	4,114	10.6	2,689,000
Dressmakers and seamstresses, exc. factory	3,015	2,644	9.3	97,000
Laundry & dry cleaning operatives	2,921	2,907	35.4	260,000
Transportation equipment operatives	3,152	2,574	10.2	137,000
Cleaning service workers	2,436	2,294	34.7	628,000
Food service workers	2,228	1,806	12.4	2,038,000
Cooks, exc. private household	2,291	2,150	21.9	x
Waiters and food counter workers	2,110	1,637	5.8	x
Health service workers	3,454	2,974	24.9	1,077,000
(including practical nurses--	4,773	4,236	21.9	
Private household workers--live in	2,403	1,829	23.3	73,000
--live out	1,123	948	55.4	1,093,000

Table A

PERCENTAGE OF FAMILY HEADS EMPLOYED AS SELF-EMPLOYED AND AS SALARIED MANAGERS BY INCOME GROUP (IN 1972 DOLLARS) IN 1952 AND 1972, AND RATIO OF THE SALARIED TO THE SELF-EMPLOYED

	PERCENTAGE		RATIO	
	1952	1972	1952	1972
All family heads				
Self-employed managers	6.8	3.3	.88	3.61
Salaried managers	6.0	11.9		
Under $4,000 income				
Self-employed managers	6.4	6.6	.17	.38
Salaried managers	1.1	2.5		
$4-7,000				
Self-employed managers	6.1	3.5	.44	.97
Salaried managers	2.7	3.4		
$7-10,000				
Self-employed managers	5.7	3.3	1.28	1.64
Salaried managers	7.3	5.4		
$10-15,000				
Self-employed managers	7.4	2.5	1.14	4.12
Salaried managers	8.4	10.3		
$15-25,000				
Self-employed managers	8.7	2.7	1.57	6.22
Salaried managers	13.7	16.8		
$25,000 and over				
Self-employed managers	23.6	4.8	.92	6.58
Salaried managers	21.9	21.6		

Computed from CPR, P-60, No. 90, p. 43,

Table B

OCCUPATIONAL DISTRIBUTION OF FAMILY HEADS, 1952, '62. '72

LOWEST FIFTH OF POPULATION	1972	1962	1952
Professional, technical	6%	3%	2%
Farmers, farm managers	7	20	32
Managers & Admin. nonfarm	8	9	8
Clerical	9	4	2
Sales	5	4	2
Craftsmen	16	7	9
Operatives, inc. transport.	22	18	13
Service workers, excl. priv. hh	14	13	9
Priv. hh workers	2	6	4
Farm laborers & foremen	4	7	8
Laborers	8	10	12
Prof., tech., self-employed/ salaried	.7/5	.5/2	.2/1
Managers, self-empl./salaried	4/4	8/1	7/1
SECOND LOWEST FIFTH			
Prof., tech.	9	6	4
Farmers	3	7	10
Managers & admin.	10	11	8
Clerical	10	8	6
Sales	5	5	3
Craftsmen	24	17	19
Operatives	24	23	27
Service, excl. priv. hh	8	12	9
Priv. hh	0	1	0
Farm labor	1	2	2
Laborers	6	9	12
Prof., tech., self-employed/ salaried	.7/9	.9/5	.7/3
Managers, self-empl./salaried	3/7	7/4	6/2
MIDDLE FIFTH			
Prof., tech.	13	9	6
Farmers	2	3	6
Managers & admin.	13	13	10
Clerical	9	10	9
Sales	6	5	5
Craftsmen	25	22	25
Operatives	21	24	28

Table B
(cont'd.)

MIDDLE FIFTH, cont.	1972	1962	1952
Service workers total	7%	8%	6%
Farm labor	0	1	0
Laborers	4	6	6
Prof., tech., self-employed/ salaried	.6/12	.5/8	.5/6
Managers, self-empl./salaried	3/11	6/7	6/4
SECOND HIGHEST FIFTH			
Prof., tech.	19	14	10
Farmers	2	2	4
Managers & admin.	18	15	14
Clerical	7	8	8
Sales	7	6	6
Craftsmen	24	26	26
Operatives	14	21	23
Service	5	6	5
Total labor, incl. farm	3	3	5
Prof., tech., self-employed/ salaried	1/18	1/13	1/9
Managers, self-empl./salaried	3/16	5/10	6/8
TOP FIFTH			
Prof., tech.	25	24	17
Farmers	2	2	4
Managers	27	26	22
Clerical	5	6	6
Sales	8	7	6
Craftsmen	18	19	22
Operatives	9	11	17
Service	4	4	4
Laborers	2	2	3
Prof., tech., self-emp./sal.	5/20	5/19	4/12
Managers, self-empl./sal.	4/23	9/18	9/13

Table B
(cont'd.)

TOP 5%	1972	1962	1952
Prof., tech.	31	33	22
Farmers	2	2	6
Managers	37	39	34
Clerical	3	2	5
Sales	10	8	6
Craftsmen	10	9	13
Operatives	5	4	10
Service	2	2	3
Laborers	1	1	2
Prof., tech., self-empoyed/ salaried	10/21	13/20	[illegible]0/12
Managers, self-empl./sal.	5/32	13/26	17/17

Source: CPR, P-60, No. 90, p. 41.

Table C

PROFILE OF MARRIED BLUE-COLLAR[*] MALES WITH INCOMES OF $4-12,000 IN 1969

	INCOME	
	$4-8,000	$8-12,000
Percentage living in North or West	66%	78%
% of N and W residents living in metropolitan areas	62	73
% of N and W residents living in central cities	26	24
Percentage living in South	34	22
% of S. residents living in metropolitan areas	41	59
% of S. residents living in central cities	18	23
Percentage employed in:		
Construction	15	14
Manufacturing	49	53
Transportation	7	9
Trade	12	8
Services (as craftsmen and operatives)	8	5
Other	8	11
Percent with working wives	47	42
Total median family income	$8,052	$11,370

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[*] Craftsmen, foremen, and operative categories combined.

Source: Herman P. Miller, "A Profile of the Blue-Collar Worker," in Blue-Collar Workers (Sar A. Levitan, ed.), 1971, pp. 49-50

Table D

THE NONAFFLUENT AS A % OF ALL MALE WORKERS BY INDUSTRY, 1972

NOTE: These data are for individual male workers earnings, not household or family income. Therefore, for this table and Table E alone, NA-L= $3-5,000 and NA-U=$5-8,000. Also, the data are for all employed males, not full-time year-round employed males. For the latter, median 1972 earnings were $10,202. $3-5,000 earners were 7% of this group, $5-8,000 earners 21%.

	NA-L (%)	NA-U (%)	TOTAL U.S. MALE WORKERS (millions)	MEDIAN EARNINGS
% of all jobs	10	19	58.2	$ 7,991
% of:				
All jobs in mining	6	18	.6	9,950
All jobs in agriculture, forestry, fisheries	14	14	3.9	2,491
Manufacturing jobs				
Craftsmen & operatives	9	24	15.8	8,556
In durables	9	23	10.0	8,729
In nondurables	11	26	5.8	8,208
Clerical and sales workers (male)	6	21	1.3	8,723
"Other workers" (mostly laborers)	13	29	1.5	5,982
Construction jobs				
Craftsmen & operatives	10	23	3.8	8,058
"Other workers"	16	20	1.1	3,795
Retail trade				
Professional & managerial	8	19	2.2	9,800
Clerical & sales	14	22	1.9	4,914
Craftsmen & operatives	15	24	2.4	5,356
"Other workers"	11	13	2.2	1,664
Wholesale trade				
Professional & managerial	3	9	.7	13,916
Clerical & sales	6	20	1.0	10,003
Craftsmen & operatives	11	25	.8	7,936
"Other workers"	17	21	.3	4,201
*Business and repair services jobs				
Craftsmen & operatives	13	25	1.0	6,523
"Other workers"	14	19	.4	2,247
Finance insurance & real estate jobs				
"Other workers"	16	23	.3	3,620

Table D
(cont'd.)

	NA-L (%)	NA-U (%)	TOTAL U.S. MALE WORKERS (millions)	MEDIAN EARNINGS
Transportation, communications & other public utilities				
Craftsmen & operatives	7	20	2.7	$10,029
"Other workers"	15	26	.7	5,812
[**]Personal services workers				
Professional & managerial	7	21	.3	8,378
"Other workers"	11	13	.8	861
All entertainment & recreational Service workers	12	14	.7	2,532
[***]Professional & related services				
Clerical and sales workers	12	19	.3	3,821
Craftsmen & operatives	11	22	.5	7,540
"Other workers"	17	28	1.3	4,211
Public administration, including postal service				
Craftsmen & operatives	5	19	.4	9,545

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[*] Business and repair services include advertising detective services, computer programing services, commercial R&D and testing labs, employment and temporary help agencies, automobile and electrical repair services, and others.

[**] Personal services includes primarily employment in private households, public lodging facilities, laundries, beauty and barber snops, shoe repair, and dressmaking shops.

[***] e.g., by doctors, hospitals, lawyers, public and private schools, museums, engineering and accounting firms, welfare services, churches and nonprofit membership organizations.

Table E

NONAFFLUENTS' SHARE OF TOTAL MALE EMPLOYMENT BY INDUSTRIAL GROUP, 1972

	NA-L*	NA-U*	TOTAL	NA NUMBERS (Millions)
Agriculture, forestry, & fisheries	13.7%	14.3%	28%	1.1
Mining	6.3	17.7	24	.154
Manufacturing	8.2	21.1	29	4.6
Transportation, communications and other public utilities	7.8	18.0	26	1.2
Wholesale trade	7.6	18.8	26	.733
Retail trade	11.8	19.3	31	2.7
Finance, insurance, & real estate	6.8	13.7	21	.497
Business & repair services	11.1	20.2	31	.649
Personal services	11.3	11.5	23	.311
Entertainment & recreation services	11.8	13.5	25	.184
Professional & related services	9.3	16.6	26	1.6
Public administration	4.5	14.3	19	.637
				14.4 million NA male workers

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[*] See Table D Note for dollar range.

Table F

NONAFFLUENTS' SHARE OF YEAR-ROUND FULL-TIME MALE EMPLOYMENT BY INDUSTRIAL GROUP, 1972

	NA-L	NA-U	NA TOTAL	NA NUMBERS (Millions)
Agriculture, etc.	17.6	20.7	38	.766
Mining	3.3	13.3	17	.078
Manufacturing	4.7	20.8	26	3.0
Transportation, etc.	4.1	17.7	22	.765
Wholesale trade	4.8	19.4	24	.514
Retail trade	10.5	27.5	38	1.7
Finance, etc.	4.6	16.1	21	.366
Business, repairs	9.9	24.8	35	.448
Personal services	17.2	30.6	48	.270
Entertainment	11.9	30.2	42	.107
Professional services	7.1	18.6	26	1.1
Public administration	2.2	14.0	16	.446
				9.560

Table G

FEMALE WORKERS IN 1972: NUMBERS (IN MILLIONS) AND MEDIAN EARNINGS BY OCCUPATIONAL CATEGORY WITHIN INDUSTRIAL CATEGORIES

	NUMBERS		MEDIAN EARNINGS	
	ALL	Y-R, F-T*	ALL	Y-R, F-T*
Total	40.7	17.0	$3,182	$5,903
Agriculture, forestry, fisheries: total	1.3	.3	757	3,441
Mining: total	.084	.05	5,331	NA
Manufacturing				
Prof. & managerial	.3	.2	6,818	3,434
Clerical & sales	1.776	1.078	5,312	6,317
Craftsmen & operatives	4.654	2.152	3,751	5,159
Other workers	.2	.08	3,186	6,316
Construction: total	.377	.165	3,761	6,316
Transporation, communications & other public util.				
Total	1.225	.692	5,678	7,108
Clerical & sales	.929	.567	6,022	7,007
Wholesale Trade: total	.902	.470	4,180	5,937
Retail trade				
Prof. & managerial	.754	.460	4,793	6,246
Clerical & sales	4.718	1.299	1,968	4,723
Craftsmen & operatives	.374	.138	2,297	4,722
Other workers	2.578	.497	1,258	3,817
Finance, insurance & real estate: total	2.505	1.517	4,766	5,810
Clerical & sales	2.146	1.274	4,720	5,693
Business, repair services				
Total	1.1	.356	2,695	6,233
Personal services: total	4.350	.935	760	3,423
Other workers	3.498	.681	575	3,061
Entertainment & rec. services: total	.458	.086	1,398	6,318

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*Year-round, full-time workers only.

Table G
(cont'd.)

	NUMBERS		MEDIAN EARNINGS	
	ALL	Y-R, F-T	ALL	Y-R, F-T
Professional services				
Prof. & managerial	4.932	2.771	$6,679	$8,787
Clerical & sales	3.084	1.362	3,762	5,773
Craftsmen & operatives	.164	.079	3,390	4,810
Other workers	3.197	1.311	2,650	4,765
Public admin.: total	1.586	.952	5,801	7,624
Prof. & managerial	.308	.205	7,442	9,134
Clerical	1.137	.686	5,793	7,400

(CPR, P-60, No. 90, pp. 142-3).

Table H

FAMILIES WITH EMPLOYED HEAD, 1952 AND 1972: MEAN INCOME OF HEAD BY OCCUPATION, SEX, AND RACE, AND RATIO TO NATIONAL MEAN

OCCUPATION OF HEAD	% OF EMPLOYED HEADS 1972	% OF EMPLOYED HEADS 1952	MEAN INCOME 1972	MEAN INCOME 1952	RATIO TO TOTAL MEAN INCOME 1972	RATIO TO TOTAL MEAN INCOME 1952
Total employed family heads	100%		$14,168	$ 4,834	1.00	1.00
Prof., tech., & kindred	14.3	8.2	18,770	7,148	1.32	1.48
Self-employed	1.7	1.5	28,984	11,258	2.05	2.33
Salaried	12.6	6.7	17,428	6,237	1.23	1.29
Managers, admin., exc. farm	15.2	12.8	18,830	6,897	1.33	1.43
Self-employed	3.3	6.8	13,977	6,034	.99	1.25
Salaried	11.9	6.0	20,154	8,011	1.42	1.66
Clerical & kindred	8.0	6.4	12,211	4,998	.86	1.03
Sales workers	6.3	4.5	16,486	5,527	1.16	1.14
Craftsmen & kindred	21.3	21.1	13,408	4,891	.95	1.01
Operatives, incl. transport	18.0	21.8	11,481	4,395	.81	.91
Service workers, excl. private hh	7.6	6.3	10,439	3,822	.74	.79
Laborers, excl. farm	4.6	7.0	10,320	3,395	.73	.70
Private hh workers	.4	.7	4,500	NA	.32	NA
Farmers & farm managers	3.2	9.5	10,017	3,003	.71	.62
Farm laborers & foremen	1.0	1.8	7,344	2,524	.52	.52
Female-head families	12.2	9.4	6,862	2,966	.54	.66
Nonwhite head	10.8	10.2	8,667	2,639	.69	.59

SOURCE: CPR, Series P. 60, No. 90, December 1973, Table C "Number of Families and Mean and Aggregate Family Income in 1952 and 1972, by Selected Characteristics," p. 7.

Table I

PRODUCTION WORKERS, 1972

	NOS. (MILS.)	%
Total Production Workers	55.8	100
HH Heads	29.3	53
Of Husband-Wife Families	21.2	38
2 Persons	6.1	11
3 Persons	4.9	9
4 Persons	4.6	8
5 Persons	2.8	5
6 Persons	1.4	3
7 or more persons	1.3	2
Other Male Family Head	.6	1
Female Family Head	2.3	4
Male Unrel. Individ.	2.7	5
Female Unrel. Individ.	2.6	5
Other HH Members	26.5	47
Wives	13.6	24
Male Relatives	7.7	14
Female Relatives	5.2	9

Source: *Monthly Labor Review*, April 1974, p. 4.

Table J

SUMMARY OF 1971 INCOME SOURCES OF NONAFFLUENT HOUSEHOLDS AS DEFINED BY REFERENCE TO POVERTY LINE (=1.00)

NEAR POOR

1.20-1.59	66%	have head labor income	1.60-1.99	75%	have head labor inc.	2.00-2.39	89%	have head labor inc.
	19%	have wife labor income		21%	have wife labor inc.		28%	have wife labor inc.
	33%	have capital income		38%	have capital inc.		37%	have capital inc.
	71%	have head/wife transfer income		60%	have head/wife transfer income		47%	have head/wife transfer income
	25%	have food stamp income		10%	have food stamp income		4%	food stamp income
	35%	saved by growing food		31%	saved by growing food		34%	saved growing food
	32%	saved on A&R		38%	saved on A&R		44%	saved on A&R
	50%	imputed rent		57%	imputed rent		59%	imputed rent

NEAR-AFFLUENT			MIDDLE AFFLUENT			UPPER AFFLUENT		
2.40-2.99	87%	have head labor inc.	4.00-5.9	93%	have head labor inc.	6.00+	97%	head labor inc.
	32%	have wife labor inc.		47%	have wife labor inc.		50%	wife labor inc.
	46%	have capital inc.		66%	have capital inc.		84%	capital income
	40%	have head/wife transfer income		28%	head/wife transfer income		16%	head/wife transfer income
	2%	food stamps		0	food stamps		0	food stamps
	31%	saved by growing food		27%	saved by growing food		21%	saved by growing food
	44%	saved on A&R		50%	saved on A&R		47%	saved on A&R
	62%	imputed rent		70%	imputed rent		77%	imputed rent

SOURCE: Income Dynamics Panel Survey.

Table K

SOURCES OF INCOME FOR PERSONS WITH $4-10,000 AND $25,000+ INCOME, 1972

	$4-5K	$5-6K	$6-7K	$7-8K	$8-10K	$25K+
MALES						
Wage or salary only	46%	55%	56%	58%	53%	14%
Self-empl. inc. only	3	5	4	3	3	6
Wage/sal.+self-empl.	2	2	3	3	2	3
Earned + unearned	32	31	35	37	44	75
Only unearned	22	14	9	5	3	1
FEMALES						
Wage or salary only	62	64	65	64	58	19
Self-empl. inc. only	2	2	1	1	1	4
Wage/sal.+self-empl.	.4	1.0	.5	1.0	.6	4.0
Earned + unearned	24	25	27	29	35	49
Only unearned	13	9	7	5	6	24

Source: CPR, P. 60, No. 90, p. 150.

Table L

FARM POPULATION BY HOUSEHOLD INCOME, 1973 (1968)*

Farm Residence:

P = 4.7% (6.9%) NA-L = 5.2% (6.9%) NA-U = 4.3% (5.0%)
LA = 3.7% (3.5%) MA = 3.3% (2.7%) UA = 4.3% (2.1%)

Household Heads Employed on Farms (Owners, Laborers, etc.)

P = 11.5%(17.4%) NA-L = 7.8% (9.2%) NA-U = 4.0% (4.5%)
LA = 2.7%(2.3%) MA = 2.0% (1.8%) UA = 3.4% (1.7%)

Nonaffluent Household Heads are 30% of all Household Heads
-- 32% of all Farm Owners and Managers
-- 53% of all Employed as Farm Laborers and Supervisors

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[*] 1968 Income Groups in 1973 dollars.
Source: CPR, P-60, No. 92.

FOOD STAMPS

"An Overview of the Food Stamp Program

by

Basil J. Candela

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AN OVERVIEW OF THE FOOD STAMP PROGRAM

Summary

The Food Stamp Act inaugurated in 1964 and administered by the Department of Agriculture is (finally) today a nationwide program available to both the working and non-working poor, helping them to secure a nutritionally adequate diet. Liberalizing Amendments passed by Congress in 1971 established a formula which may increase program participation and cost to such a degree that it may put the program's future in jeopardy. This possibility has been made more apparent by the recent recession; present participation is reported at 17 million Americans with Federal contribution approaching $4 billion. Estimates of future participation range as high as 60 million people at a cost of $10 billion. Until the present recession obscured them, other criticism of the program centered around highly visible and apparently unworthy participants, the degradation the poor must suffer in certification procedures and stamp use, that cash payments are too high and/or the stamp allotments too low, and that the government effort to inform the public about the program--"outreach"--has been dreadfully inefficient and ineffective.

The proposed Griffiths' bill for welfare reform would eliminate the food stamp program in favor of a tax rebate and cash approach. This report recommends that the food stamp program be retained or form a part of any welfare reform package. A program directed at providing food to the poor appears more acceptable to the American public than a cash program. Stamps appear twice as effective as cash in the low income population purchase of food. If the program is retained, the formula establishing household payments for stamps should be revised; any welfare program

for which 25 percent of the population may become eligible, is "overambitious." The present law states that no household shall spend more than 30 percent of its net income to purchase its food stamp allotment. This should be amended so that payment would be based on a rising percentage of net income as income increases. This would establish a reasonable limitation on participation totals without affecting the lowest income populations.

Present day management accuracy and efficiency should be assumed low today. Modern data processing methods should be established to administer and monitor the Food Stamp Program, possibly through the I.R.S., as is recommended by the Griffiths' bill. Once control has been established, the government may consider increasing the program benefits. The formula determining level of payment, after being revised as recommended above, should remain unchanged, but liberalization could take place by the issuance of free food stamps, optimally directed toward the purchase of milk. A second step made available along the same lines might be for multi-vitamin and mineral pills. Both these approaches should enhance nutritional adequacy among participants.

A more effective program for monitoring the nation's health is in order.

A. Introduction

The "Food Stamp Act of 1964" was the outgrowth of a pilot operation begun in 1961 under the Kennedy Administration. At that time, 8 regions, in which about 50,000 people would participate, were selected to initiate a program to run parallel with the then existing commodity distribution program. Both of them had essentially the same thrust: to support the agricultural community by designing a system which, through subsidy, would increase the demand for farm products, and secondly, to apply the subsidy to the poor by providing a mechanism which would allow them to purchase food at reduced out-of-pocket costs. Both programs were, and still are, administered at the Federal level by the Food and Nutrition Service of the Department of Agriculture, as are other food-oriented "in-kind" income transfer programs. One of the features of the Food Stamp program was to replace the Commodity Distribution program as the former was introduced into successive sectors (projects) of the country. Only today, after 10 years, can it be said that the Food Stamp program is carried out as a nationwide effort throughout all 50 states. Commodity Distribution is essentially phased out as a program except as demanded under emergency or disaster conditions.

Household eligibility and degree of participation in the program is based upon a formula which includes its size, income, certain assets, and living expenses.* These determine the amount of money it must pay to purchase a quantity of stamps that can be exchanged for food at approved retail outlets. The stamp total value is based on, and indexed twice a year to, the estimated cost of the Department of Agriculture's Economy Food Plan. Realistically, for a given household composition, the less net income, the greater quantity of free stamps it is eligible to buy. When purchased by households of various compositions, the difference between the face value of the food stamps and the household's purchase cost is the total "bonus," or free, food stamps to which it is entitled. Original purchase limitations were restricted to domestic foods, but today imported foods may also be purchased. Alcoholic beverages, tobacco and non-food items are excluded. Total household income used to determine the payment for its food stamp allotment* includes monies from all sources, including household inputs from any Federal, State or local support program. It should be noted that the provision of food at reduced cost to the deserving poor is highly appealing to the majority of the American public; much higher than a cash supplementary income type program.**

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*See Chartpage A for relevant ground rules.

B. Ten-Year History

The ultimate test of any governmental program's worth is how it operates in the real world to the satisfaction of the American public. Implementation and management will be continually scrutinized. Especially on public welfare programs, suggestions (expressed in large part as demands) will come both from those who view the program as not being liberal enough and those who contend it is another giveaway. While serving those for whom it was truly intended, encroachment by others for whom it was really not drawn up, but who will try to sneak in under the strictest reading of the law, must be expected, as must fact misrepresentation and theft attempts, inside and outside the program's administrative body. The Food Stamp Act is certainly no exception. In the 10 years since its passage, there has been a great amount of discussion, disagreement and controversy regarding the ground rules for participation, the adequacy of the benefits to provide an adequate and nutritional diet to qualifying households, the general management regarding enforcement of the plan and distribution of the stamps, the eligibility (and non-eligibility) of the participants, and, of course, the program cost. From these exchanges, amendments to the Act were authorized by Congress to correct some of the problems and apparent inequities which surfaced during the program's life, the most significant of which were enacted in January 1971. Participation in the program and Federal Government cost have increased dramatically since these amendments. Numbers have jumped and may be expected to jump further as a result of the present recession and resultant growing unemployment rate. The present condition should be noted as past circumstances are reviewed.

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*See Chart B-③ for a recent schedule.

**Reference 30, pages 58 and 59. Acceptance of Guaranteed Annual income ranges from about 25 percent for incomes $10,000 per year and above and above 40 percent for incomes under $5,000 per year. Approval of Food Stamps is about 60 percent across the board. Both polls were conducted in 1969.

1. Level of Benefits

The selection of the Department of Agriculture Economy Food Plan as the basis for determining household financial requirements to secure a nutritionally adequate diet has been a controversial point. It is the least expensive of five plans prepared by the Department:* about 20-25 percent lower than the basic Low Cost Plan. Its design is for temporary or emergency use when funds are low, although its nutritional content is sufficient for an adequate diet. As might be imagined, it includes larger amounts of low-cost items to meet established nutritional requirements--beans, bread, cereal and potatoes--than the basic Low Cost Plan. Critics have condemned its use as criteria for the Food Stamp Program, contending that the household allotment established by the Economy Plan is too low for the poor to master the tradeoffs between cost, nutrition and food variety.** That it be applied to people living in one of the most affluent societies of the world is considered a moral as well as a physical affront.

Household payments for food are generally a higher percentage of its budget as net income drops: generally reported over 40% for the poor, but in the vicinity of 60% in extreme cases.*** In the early years of the Food Stamp Program, all households had to pay some amount of money to secure their entitled amount of stamps, even the very poor with no recorded net income. Further, program administration demanded that the full monthly stamp allotment be purchased in one lump, and an unreasonable hardship was identified as an inherent characteristic of this requirement since the very poor could hardly manage their money in such a way as to afford a high quantity outlay in one shot for a benefit to be spread over an entire month.

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*Reference 25. The others are two low cost plans (one of which is structured specifically for the Southeastern states), a moderate cost and a liberal cost plan.

**Even the Department of Agriculture acknowledges this: "Studies show that most families spending as little as the cost for the Economy Plan do not select foods that make a good diet for every family member. A homemaker needs considerable skill and interest in buying and preparing food if she is to provide her family with a good diet for as little as the cost of the plan. Many homemakers with limited budgets do not have the skill or interest, or the equipment needed to do this." Reference 34.

***Reference 5, p. 99.

Criticisms of the above resulted in amendments which reduced the household payment for its monthly stamp allotment. Smaller households and lower-income households were favored under the schedule,* with the very lowest paying nothing for their stamps. Further, all future payments for the full stamp allotment could not exceed 30 percent of net household income. The Economy Food Plan was retained as the basis of household monthly stamp allotment. The requirement for full payment once a month was amended to allow households to purchase stamps bi-monthly in quarter multiples of their total allotment. This flexibility would allow them to spread total stamp purchases and allocate income more reasonably, or even buy fewer stamps as their personal preferences dictated. They could still exercise their privilege as before and buy the total quantity all at once.

2. Program Management

The Food Stamp Program is Federally sponsored but run by State and local governments. As mentioned herein, it was to be introduced into all areas, or "projects" in each State, replacing the Commodity distribution program where the latter was in operation. While the value of the bonus, or free, stamps is underwritten by the U.S. Treasury (through the Department of Agriculture) costs for program implementation and administration are shared with the States. Management requirements not only include the certification of participants, the distribution of the stamps and the collection of money, but the Act includes the mandate for an "outreach" effort to take necessary action to inform the public of the program so that all eligible will become aware of their right to participate.

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*See Chart B-③. Payments today average about 23 percent of income.

With administrative responsibility not clearly defined, the inevitable discussion and argument between Federal and State agencies about who was to do and pay for what delayed the program's progress nationwide. This and the fact that some states were effectively ignoring the law evoked an increasing criticism from the more liberal segment of the public.* Amendments enacted in 1973 ordered that the Food Stamp Program was to be effectively operational in all project areas in all states by June 1974. Federal support for administrative expenses have now been fixed at 50 percent by law.**

3. Qualification and Certification of Participants

Participant certification takes place after an interview at an established welfare office. A form is filled out--considered by many as complicated, long, and an intrusion of privacy--in order to determine whether a household is qualified. If so, its net income is calculated to determine its level of payment for its stamp allotment. Amendments have liberalized the amount of limiting assets a household may have. The resources of an eligible family cannot exceed $1,500

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*In June 1973, the State of Texas served 412 thousand people in 31 project areas. In June 1974, the numbers jumped to 1.042 million people in 254 project areas. (USDA Food Stamp Programs Statistical Survey of Operations)

**PL 93-347 signed July 12, 1974. Reference 36, P-17 states: "In 1973, the Federal Government paid--62 1/2% of the salaries and related expenses of non-public assistance certification, quality control and fair hearing and outreach efforts."

($3,000 in the case of a household of two or more when one member is 60 years old or over) but not included as assets are its home, furnishings, car, life insurance and income-producing property.* A household is ineligible if it has access to a credit card in the name of a person who is not a household member.

The food stamp program, like all welfare programs which increase benefits as income drops, has a disincentive-to-work characteristic built into the formula. As discussed hereinafter, it tends to equalize total benefits on a national scale which greatly increases this disincentive where State and local support for other programs is low. Further, by basing its criteria on income alone, the Food Stamp program has extended this disincentive to a new group of people outside the other established and focused welfare efforts. A very visible element of this group, and one which provokes a storm of protest against the program are "hippies" and/or members of communes who have "dropped out," deliberately choosing neither to work nor to seek employment in any serious manner. These qualify for assistance under the law as written.** Other elements which have adequate incomes for most months of the year but who have little or none for the remainder would also qualify for the latter time period if they meet the resource qualifications. These groups include those whose work and income interruption is an accepted characteristic of their system--teachers, for example, who do not choose to work and are not paid during their summer leave--and strikers whose income is voluntarily interrupted even though they choose to work. Issuing food stamps to the latter group is vehemently denounced by critics as governmental interference in the collective bargaining system.*

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*See Chartpage A.

**See Ramparts, June 1972. There are several articles; one of them argues the legitimacy of participation and another gives instructions on how to "beat the system."

In order to counteract disincentives to work, amendments to the Act were enacted which required registration at State, Federal or other approved employment agencies as one of the eligibility requirements for food stamps. Stamp applicants must accept employment or public work at applicable wage rates. If a household member fails to register for work, the household is disqualified from the program for one year or until the member does register. Those who drafted this amendment considered that the new law substited an incentive to get work for the incentive not to, total exclusion from the program being less preferable than reduced bonus stamps by an increase in income.

The law, as written, allows students over 18 in college or other approved training institutions to apply for food stamps. While the original intent may have been to aid those who came from low-income households which would qualify for food stamps, it did not take long for students from middle-and high-income families to adjust their checkable monetary existence so that they would meet the qualifications. Like "hippies," this group became very visible, by both their demeanor and type of food purchase. To counter this apparent rip-off, an amendment was enacted which excluded any student from the Food Stamp program if he(she) was declared as an exemption on anyone's Federal income tax form. Households too poor to pay income taxes would not be affected at all, and those with income high enough to pay taxes might consider the participation by the student to be of marginal benefit at best and convince him (her) to stop it.

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*Including a study done by the University of Pennsylvania Wharton School of Business. Reference 3, pp. 44, 50 and 74.

If they could not, the Government would recoup some of the money given to the student as bonus stamps through the increased taxes paid by a normally supporting household or family.

4. Consideration of the Aged

Regulations were liberalized for the elderly over age 60. Recognizing that many may be incapable of preparing their own meals, the elderly are allowed to qualify for food stamps whether or not they have cooking facilities, and to use stamps to purchase food prepared and delivered to them ("meals on wheels") from a qualified service. Households with a member or members aged 60 or over have a resource limitation set at $3,000 instead of $1,500. Further, in order to allow the elderly the option of sharing private facilities either for financial or social reasons, the "legally-related" requirement is dropped in their case. Elderly residents of an institution or boarding house remain ineligible.

5. "Outreach" to Qualified Households

As mentioned, one of the sore points in the past history of the Food Stamp program was the failure of the State and local governments to establish and run an effort of any meaningful proportion to inform the citizenry under their jurisdiction about the benefits for which they might qualify under the Act. The running argument set forth by these governments was that the financial requirement for a worthwhile "outreach" effort, when placed on top of the burden they must underwrite for household certification, registration and program administration, was beyond their financial capability. Amendments to the law reaffirmed the State's responsibility "to inform low-income households concerning the availability and benefits of the food stamp program and insure the participation of eligible households." There is some evidence that as late as 1973, only $130,000 was spent on "outreach" programs nationwide.*

C. Ongoing Criticisms

While the preceding section has discussed some issues which surfaced during the operation of the program, and to which the Federal has responded by amendments to the Law, by no means did the criticisms end.

1. Adequacy of Benefits

Benefits under the Food Stamp Act, pegged and indexed to the Economy Food Plan, with 30 percent of net income established as a just maximum level of expenditure for food by families who would be expected to participate in the program,are judged to be inadequate by those who would liberalize the program further. As pointed out herein, the first point of contention is the use of the Economy Plan itself as the amount of money which a household of a given composition can spend to achieve an adequate and nutritious diet. The case is made that the Department of Agriculture itself recognizes that such a diet is the minimum that a household might be expected to pay to buy adequate food if it is in temporary financial straits, not as a permanent situation. Investigators attempting to buy a nutritionally adequate diet within the economic limitations of the Economy Plan have reported that they were unable to do so.** Critics recommend that the Low Cost Plan, about 20-25 percent more expensive than the Economy

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*Reference 17, p. 30.

**Reference 5, p. 180.

Plan should be used as the basis for household food outlay as more representative of the realities facing the low-income population.

A second criticism is that 30 percent of net income is too high to be used as the amount that low-income households can reasonably be expected to spend for food; that 30 percent has been established as criteria for household payment based on Bureau of Labor Statistic findings that are faulty;* and in actuality, expenditures are much higher, especially for those at the lowest end of the income scale. A case is therefore presented to lower the maximum amount to be paid for stamp allotment as far down as 20 percent of net income across the board.**

The above two positions are, of course, based on the critics' viewpoint that the Food Stamp Act has failed in its mandate to solve either hunger or nutritional inadequacy in the low-income population. Further, it is maintained that the Department of Agriculture is to be found wanting in its obligation to survey for the determination of these two points; what investigations have been conducted have tended to prove the eneffectiveness of the Food Stamp program. The "Ten State Nutrition Survey (1968-1970)"*** pointed up general iron deficiency for all classes and ethnic groups, Vitamin A deficiency among the Spanish-American population and obesity in the black female population. It is alleged that "Hunger--1973" points out that even at this late date, there are significant numbers of the population going without adequate food in this, the richest country in the world. Investigators reported that during interviews of households in the ghetto, people stated that dog food is bought for the family table. Indeed, estimates are presented that up to one-third of the pet food bought in the ghetto is for human consumption; estimates are even higher for those areas with a greater percentage of the elderly poor.[*] But these reports of pet food being consumed by some of the population in the ghetto--especially by the elderly poor--are generally believed to be without foundation.[**]

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*Reference 5, pp. 102,103.

**Reference 17.

***Reference 22. The study was conducted in the low-income ratio states of Kentucky, Louisiana, Texas, South Carolina and West Virginia, and high-income ratio states of California, Massachusetts, Michigan, New York and Washington. Some of these states were not effectively in the Food Stamp Program at the time. See footnote regarding Texas on p. 6.

A more comprehensive Health and Nutrition Examination Survey (HANES) is being conducted in the United States. Critical examination of procedures and information to be assembled leads critics to believe that much important data will be lacking.[***]

2. Degradation of Participants

Under the general heading of "degradation" that the low-income population must endure through participation in the Food Stamp program--

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[*] Reference 17, p. 20.

[**] "The story that many people were eating dog and cat foods first surfaced in June as an undocumented tidbit in a report to a Senate committee hearing on nutrition. In an article, 'Let Them Eat Dog Food?' in the current Columbia Journalism Review, Robert J. Samuelson traces the escalation of the story: from a top-of-the-head estimate (later disavowed) of the 'one-third' figure to insertion into the Senate committee report, then into the news and eventually into a 'claim that had been repeated so often by so many people that it was accepted as verified.'" The New York Times, Nov. 26, 1974.

[***] Reference 3, p. 179-180.

the price the poor must pay for being poor--are the following:

a. The waiting on long lines and the time and money consuming processes of certification; picking up the stamps at the welfare office once or twice a month; and the need to register for work at the State or other approved employment agency.

b. The invasion of privacy by the required disclosure of personal income and asset information.

c. Food stamp users, being visible at the grocery store, are publicly identified by their neighbors as participants in a welfare program.

Suggestions to address the above points include self-certification with the requirement by the government to verify truth and accuracy (as with income tax), delivery of the stamps by certified mail (to reduce theft) or distribution of stamps at local post offices and/or banks* to lessen the participants' travel requirements, granting of credit toward the purchase of stamps and elimination of the work-registration requirement.** To offset the "visibility" characteristic, an all-cash system of at least an equal benefit to the Food Stamp program is suggested as a replacement.

3. A Congressional Proposal

The above issues--that allocation levels are not high enough, that households must pay too sizable a cash sum to participate, that the government is inefficient in program administration and its determination of national nutritional adequacy, and that degradation and inconvenience are imposed on the low-income population by the requirements of the Act--

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*Cost for each transaction has been estimated at about $1.00 (Ref. 3). Some banks and post offices have attempted to provide this service to the community for a fee.

**Reference 17.

draw the major criticisms from those who would liberalize the program or replace it with another which would correct its alleged major deficiencies. Studies done by the Subcommittee on Fiscal Policy of the Joint Ecnomic Committee of the Congress have led to the recommendation to replace Food Stamps and other welfare programs with a comprehensive system of tax credits and cash for both the working and non-working poor.* This program--Allowances for Basic Living Expenses (ABLE)--would run in conjunction with the Supplemental Security Income program for the aged, blind and disabled, and together they would form the major Federal effort to reduce poverty in the United States. ABLE would be administered by the Internal Revenue Service.

D. Overview

The Food Stamp program, as a welfare concept, should be regarded as one of the government's better ideas. Basically, it gets to the heart of a very sensitive issue: the provision of food to a hungry population. Since the criteria applied to eligible households is income alone, there is no focus on a specific, disadvantaged group, such as the aged or families with dependent children. Therefore, the program provides both working and non-working poor, not benefitting by these specifically directed welfare plans, the opportunity to secure some Federal consideration through free food stamps. Since income from all welfare programs enteres into the calculation for stamps, those securing benefits from other programs will tend to receive fewer stamps than those who do not. Thus, the food stamp program has the effect of evening the benefits between poor households.

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*The Griffiths' Bill. References 19, 20, 34 and 35.

Since this is a Federal program, this effect crosses State lines and tends to equalize discrepancies in State and local programs for the poor. Households in States authorizing low welfare benefits are entitled to more bonus food stamps than those households of equivalent size and net income in States giving higher benefits.* Because of this equalization tendency, Food Stamps have the characteristic of correcting some of the major drawbacks of the specially oriented welfare programs by decreasing the incentive toward perceived social irresponsibility in order to maximize benefits from them; i.e., for unmarried women to bear children and for fathers to desert families. Because food stamps are indexed to the cost of food, which is rising sharply today, this is strengthened as the benefit from stamps constitutes a greater proportion of total household's welfare benefit.

However, the beneficial aspects of this program are not so positive that the whole program cannot be put in jeopardy by mistakes of judgment. All welfare programs are a transference of funds from the more to the less,or non-productive sector of the economy. They succeed (they can be financed) only if the overall economy is moving upward in real terms at an acceptable clip. This thinking visualizes the continuous reduction in welfare participant numbers as the economy moves forward; people will work their way out of their financial dependency in such an atmosphere.** But there are two pitfalls due to

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*In an analysis using 1973-74 data, Brookings Institution calculated that the difference between average monthly AFDC payments of the five highest and five lowest paying states is $248. With food stamps added, this difference is reduced to $176. Reference 12, p. 179.

**See testimony of Dr. Yeutter of the Department of Agriculture. Reference 3, p. 3.

"overambition" that policy makers may fall into. They may make such generous benefits available that, even with a growing economy, strain is experienced; this will last until increasing wealth can financially cover the outlay to a participating population, or, they may disregard the possibility that the economy might not rise. Food Stamps appear the victim of both pitfalls. Now that a recession is here, unemployment is sharply up, and the program's administrative burden and costs are becoming painful. As this report is being written, the Administration is advocating the increase of all payments for food stamps up to the legal "30 percent of income" level. The President is bound to be condemned for this proposal, and Congress will likely reject this suggestion.

The "overambition" mentioned above may be traced to the Amendments issued in 1971 establishing the liberalized formula determining the total benefits in bonus stamps to be issued to participants, and to the method of applying this formula in an equitable way to the participating population. The "maximum of 30 percent of net income" allows participation by four-person households with annual net income up to $6,000; for eight-person households, over $10,000.* As the cost of food increases and the monthly stamp allotment is indexed accordingly, eligibility extends further into the greater density, higher-income population under the 30 percent rule.** Clearly, the mathematics suggest that the formula set forth in the 1971 Amendments may not have anticipated the overall effect of such a sharp rise in the food index since it was enacted. The record of participation and cost since that time is indicative.*

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*Chart B- ②.

**Chart D- ①.

Using the Low Cost Food Plan as the basis for stamp allotment, effectively raising it by 20 to 25 percent, or reducing the maximum payment level to 20 percent instead of 30 percent, would greatly increase both household eligibility and average benefit extended to each household. If both were implemented simultaneously, four-person households with net incomes over $10,000 would become eligible; net income eligibility for those with eight persons would be up to about $18,000.

Criticisms leveled at the Government in general and the Department of Agriculture in particular regarding past service to the population appear to be justified. In fairness, it should be mentioned that the function of the Department of Agriculture--its basic reason for existence and the interest of most of its people--lies naturally enough with the farming community. The dual objectives of the Food Stamp program--one to help this group by increasing demand for farm products, and the other to help the poor by effectively lowering the price they would pay for these products--do not comfortably belong in one agency, unless the program is to be managed by that body organized to deal with the major objective. To have put the Food Stamp program under the Department of Agriculture management may have been correct thinking in 1964; it was running the commodity distribution program, which stamps were to replace. However, national priority rapidly changed the emphasis from the welfare of the farming community to that of the poor. And during this transition, of course, the Department was forced to orient its thinking away from its main interest and expertise.

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*Chart B-④. The total effect of food programs on the Department of Agriculture's budget can be seen in Charts C- ① and C- ②.

Some unofficial estimates put the number of people who will qualify to participate in the Food Stamp program between 40 and 60 million.* There are some areas of investigation that could be pursued to verify these numbers and check the justification of the criticism regarding the "outreach" effort.

1. The participation totals--including today's 17 million--are monthly recorded figures which do not include those who get stamps continuously for only part of the year, or who move in and out of the program intermittently. Annual totals of people who have actually benefitted at some time during the year would be somewhat larger.

2. There may be some households which qualify for food stamps and who know about the program but refuse to participate because their pride will not allow them to be a burden on the Government. These people may be considered foolish by some, but their right to refuse should be recognized and respected. There may be some households who know about the program but do not choose to take the time or effort to fill out the forms for other reasons.

3. There may be some households with no or low income but with high assets which would disqualify them.

4. There may be many elderly households that do not participate in the program due to the increased benefits they may receive under the recently enacted Supplemental Security Income (SSI) plan.

As mentioned, the "outreach" effort has left much to be desired. Although over 70 percent of those households on AFDC participate in the program and are therefore knowledgeable of its benefits,** one has the feeling that, even excluding those mentioned in the four statements above, there are many who do not fully understand that they may be eligible for this program. These households are probably predominantly in the rural areas; word-of-mouth gets around pretty quickly in the cities.

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*See Chartpages D-E for a rough estimate of eligible participant totals and maximum possible costs.

**In 1971, 68 percent of AFDC households were on food stamps or surplus food benefits (Ref. 12). This was before all project areas were established in all states, and the total should be larger now.

The Food Stamp Program is beginning to get a lot of "free" publicity in newspapers and television broadcasts as more and more people, signing up in this downturning economy, become interesting news items. The President's proposal to increase the payment for food stamps up to 30 percent of income as is indicated in the law* and liberal Congressional reaction to it--all duly reported in the media--should have increased public awareness of the program. It may be academic to discuss an "outreach" effort at this time when the program itself appears to be in some jeopardy, being swamped with signups of the newly unemployed. Nevertheless, an "outreach" program should be still in order as part of an effort to increase administrative competence in identification and certification of qualified households.

There have been criticisms of the Food Stamp program regarding its inadequacy in dealing with malnutrition in the United States. Recommendations have usually been advanced to either increase benefits or to kill the program entirely and replace it with an all-cash program, preferably of higher value but at least equivalent to combined welfare benefits received by current participants. In large part, the alleged inadequacy of the "outreach" program is held responsible for continuing malnutrition. Researchers identify cases of yet-existing extreme poverty as examples of program ineffectiveness.[*] The "Ten State Nutrition Survey" (Ref. 22) identified iron deficiency as a nationwide problem but also suggested some distinctions among the poor population that are likely traceable to ethnic factors: vitamin A deficiency in Spanish-American households; obesity in the black female population; and black children being taller and more advanced in skeletal development than children of other groups. Most important is that the researchers state that the population examined cannot be considered representative of the whole country and that the results cannot be extrapolated. Other work studying the effects of the food stamp program in rural areas of central Pennsylvania offers the same caveat.[**]

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*The President's proposal is said to be able to cut the cost by $215 million for the last four months of this fiscal year. (The New York Times, January 14, 1975.)

With recognition of poor past performance, it should be acknowledged that today, putting some $3-4 billion of bonus food stamps into the hands of 17 million poor Americans must be doing something positive toward maintaining and/or increasing national nutritional adequacy. Moreover, stamps appear to be twice as effective as equivalent cash in expanding demand for food among the low-income population and at least as effective among those in the upper range who receive and use them.[***] Increased consumption of meat is reported as a result of food stamp availability to the poor.[****]

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[*] For example, Miss Alice Johnson of Jacksonville, Arkansas surviving with her children on two meals a day of "greens and beans" on the last few days of each month. Miss Johnson, unwed and the mother of 11 children, is so fat she has difficulty rising from her chair and "her very obesity, experts say, is a sign of malnutrition." Two of Miss Johnson's unwed daughters living with her have 10 children between them. The New York Times, Oct. 29, 1975.

[**] Ref. 7.

[***] Ref. 32, pp. v and vi.

[****] Ref. 31, pp. 1 and 2.

Participants' inconvenience experienced with certification and food stamp pickup should be viewed as being inevitable at this time. The realities of the ghetto suggest that stamps sent by regular mail may not be the most realistic approach to stamp distribution. Suggestions of self-certification should be regarded as naive. It is obvious that participants would slant proffered information in their favor; there is adequate reported evidence of fraud, as well as administrative chaos, in other welfare programs, and there is reason to expect that they exist in the food stamp program also.* Criticisms of the program aimed at the degradation associated with food stamp use at the grocery store may be an elitist reaction; food stamp participants are probably not as disturbed about using them as people imagine. In most cases, users are bunched in the same neighborhood; embarrassment in front of peer groups is diminished when everyone is in the same boat. Seventeen million participants must be regarded as some indication of popular acceptance. A sharp increase of this number due to the present unemployment increase should reinforce this position.

The certification of food stamp participants is archaic and subject to human bias and error. Amendments which were to have eliminated students and dropouts from wealthy families have been challenged in the courts. As a result, they have been largely ignored by those who would choose to rip off the program. To the degree that errors, dishonesty or immorality in public certification and stamp use have increased costs above those required to serve legitimate participants is not known, but the belief that it is high, due to lack of management control, may turn popular sentiment against the program. This report would agree with the Griffiths' bill that a more up-to-date method of administrative control through the use of computerized records is in order; to the allegations that personal privacy may be threatened, it is believed that anonymity may be preserved to the same degree it is maintained under the I.R.S. system. How else can some degree of accuracy be maintained, when up to 25 percent of the population is considered eligible for participation?

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*Ref. 19, with regard to an HEW survey of the AFDC welfare program participants. Also, the case of the remarkable Lynda Taylor, which, if at all true, must be one of the most outstanding examples of across-the-board cheating. (The New York Sunday News, December 1, 1974.) That anyone could go so far without getting caught should be regarded as a magnificent indictment of welfare administration procedures.

Recommendations

Because of its greater popular appeal, the Food Stamp program should not be replaced by an all-cash welfare program at this time. There is evidence that stamps *are twice as effective* as cash in the acquisition of food by the poor. It may be expected that, if an all-cash program were instituted, those who provide other services to the poor would increase their margins or demands to maximize their intake. To assume that the poor are sophisticated enough to successfully allocate their funds in the face of this pressure, so that nutritionally adequate food is purchased continuously, may be presumptuous. There is a good chance that the goal that each American will have the opportunity to secure food of nutritionally, acceptable type and quantity would be set back. The Food Stamp program may need required modification, but it should be retained to run parallel with or part of another approved welfare program or programs.

In spite of all criticisms, this report regards the food stamp program as successful today although there is room for improvement. It has an apparently high degree of acceptance and approval by the American public--significantly higher than a cash transfer. It effectively integrates with and supplements other welfare programs. With income alone as the criteria for qualifying households, and with the income calculation including that received by alternative welfare programs, food stamps have the tendency to equalize welfare benefits across the country by narrowing the differences between state distributions. This, in turn, has the effect of decreasing welfare population migration from a less to a more generous welfare-benefit-dispensing state, and of decreasing the family splitting and male head-abandonment incentives of other programs. Benefits can extend to the working poor, who are normally excluded from them.

Success can also be measured by the popularity of this program and its effectiveness in buffering the economic problems brought on by the present recession. Participation has been estimated to have jumped sharply to 17 million people, who are now receiving some $3.5 to $4 billion in direct public aid from bonus stamps.

The rate of rise of the consumer price index has been rather dramatic in the recent past but, due to the present recession and softening of the food commodity markets, it could be expected to drop close to zero in the near future before re-establishing itself at a reasonable positive annual percentage. However, the present recession has caused a surge of new applicants to enter the program, and a "surprise-free" projection would indicate that 20 million people--say 10 percent of the population--could receive $375 million worth of free bonus food stamps in some calendar month in 1975; equivalent to a $4.5 billion annual rate. If the recession deepens significantly, these numbers could be higher.

Due to the liberalizing Amendments of 1971, it has been estimated that the number of future eligible Americans may lie between 40 and 60 million and that the value of free bonus stamps could reach as high as $10 billion. There is a pervasive feeling that the program may be out of control. The specter of the possible fiscal burden is alarming to government spokesmen wrestling with their budgets. Agricultural Secretary Butz would have the program shifted out of his Department, evidently to H.E.W.,* which may presumably be less than enthusiastic to receive it.

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*US News and World Report, July 22, 1975.

Former Representative Martha Griffiths' plan would eliminate the program entirely (with other Federal programs) in favor of an all-cash income transfer program. Therefore, the very success of the program, as may be measured by its popularity, may jeopardize it.

In spite of the possible costs, this report suggests that the Food Stamp Program's positive aspects are so appealing that it should be retained either as an individual program further amended, or as a part of an overall revised welfare concept which could also include cash income transfer. If retained as an individual program, revisions to the payment schedules are recommended: any welfare program which could include as many as 25 percent of the total American public should be considered as being overambitious. The varying payment totals between alternative household compositions with the same adjusted income, favoring smaller households and especially single family households, is inappropriate; considerations due to household size are already compensated for in the monthly stamp allotment, based on the Economy Plan.* Present-day political realities suggest that the present total Federal outlay cannot be cut back by any proposed change, but redistribution by an amended formula may be acceptable to the public.

Obviously people with quite high incomes can reasonably be expected to pay more than 30 percent of net income for food if they choose to. This is complementary to the thinking that those with very low incomes should pay less than 30 percent of their income. Accordingly, it is recommended that the percentage rule establishing payments be revised to increase with income. As an example, those with monthly incomes up to $30 would pay nothing; at $65 the percentage would be 20 percent; at $200 the percentage would be 30 percent; at $600, 35 percent; etc. For those eligible elderly, the rates could be reduced further. It is believed this is preferable to the Administration's present plan; but it has the advantage of limiting to some reasonable degree the future number of possible program participants, and hence the outlay.

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*Present schedules appear to favor household splitting into smaller units where allotment is higher per person and payment lower. Only the former is required to compensate smaller households for their inability to economize by bulk purchasing to the same degree a larger household can.

The Economy Food Plan should be retained at this time as the basis for the establishment of the monthly stamp allotment. Increasing it 20 to 25 percent up to the level of the Low Income Food Plan would greatly increase the program's penetration into the densest part of the population and make the eligibility total even more unacceptable (and unworkable) than today.

Even with the revised formula suggested above, the allotment should not be increased until an efficient operational procedure has been set up to establish participant eligibility and to maintain and constantly check the running record by modern data processing methods. It is recommended that a computerized record system be established to assure the American public that the food stamp program serves only those for whom it was designed, and serves them accurately and well. The I.R.S. may be the proper body for this work; if the privacy of the taxpaying public is now considered adequately protected by this agency's procedures, that of the welfare recipients should also be so regarded. Computerized records will more readily identify unreported income and assets. It is unfortunate that participants must be subjected to constant scrutiny, but it is naive to assume that honesty will prevail under the present system--and certainly not within the suggestions of self-certification, etc.*

The Administration intends to eliminate students who are claimed as deductions on others' income tax submissions, as is now written in the Amendments and approved by Congress. The constitutionality of this law is challenged, and it may be supposed that much publicity will be given to this battle, if it is pursued. If it is handled badly, public opinion may turn against the program, even if the total number of people involved or the financial outlay is small. This should not be allowed to happen.

Open for review is whether single-person and two-person households without children, whose head is between 18 and 60 years of age, and who is neither physically nor mentally incapable of working, should be excluded from the program. This would solve most of the hippy and student problem; regarding the latter, each student from a household that would qualify under the program could be added to it to increase its size by one, and his stamps sent to him. Under the revised schedule suggested above, possible loss to the present student, even with zero income, would be very small. Special consideration of an orphaned student would be in order.

Once the qualification and identification problems were brought more successfully under control and the financial burden of the Food Stamp program under the new set of ground rules were better understood, liberalization of benefits might again be considered. Rather than lowering payment schedules or switching from the Economy to the Low Income Food Plan, either of which may increase participant totals above acceptable levels, a free monthly food stamp could be issued to each participant.* It is suggested that the stamp be specifically oriented toward maximizing nutritional adequacy: first, to purchase milk.** Those who do not choose to buy milk do not need to do so, but they should be in the minority. It is recognized that free stamps would load the program quickly: if there are 20 million participants, each dollar could add about a quarter of a billion dollars annually. As the program may be able to afford it, the free milk stamp could be increased in value up to, say, a level of $5 per month. It might not be considered necessary to focus more heavily on milk beyond this amount.

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*There appears to be a large difference between those receiving public assistance and those who do not in very low-income population (Chart C- ③).

Recognizing that iron deficiency is generally prevalent in the population and that ethnic food preferences may engender deficiencies, the next free food stamp could be directed to a daily multi-vitamin and mineral pill. They should cost only about 2 cents each, and annual cost for 20 million people would be only $150 million. Some may object that this is an inadequate answer to guaranteeing nutritional adequacy, but it should be noted that the $5 free milk stamp would have raised monthly stamp allotment to a point about midway between the Economy and Low Income Food plans. The next step may indeed be a daily vitamin pill to maximize nutritional adequacy.

This report joins others in recommending a continuous effective program for monitoring the nation's health.

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*Brookings Institution offers the possibility of a stamp rebate equal to 10 percent of the bonus stamp value. (Ref. 12, p. 194) This would add about $300-$400 million to the government's burden, if today's figures are used.

**See Charts F-① and F-② for the effect of milk in reducing nutritional inadequacy.

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28. ______________ "Hunger in America", Current, Vol 148, February, 1973.

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ECONOMIC DEVELOPMENT PROGRAMS

"Economic Development Programs as Anti-poverty Measures"

by

Lawrence Goldstone

This chapter was originally issued as a Hudson Institute Interim Report, HI-1997/3-IR, dated June 28, 1974.

RELEVANT CURRENTLY APPLICABLE POINTS REGA
THE FOOD STAMP ACT OF 1964 AND
AMENDMENTS THERETO

① ENACTED TO:

A) STRENGTHEN THE AGRICULTURAL ECONOMY

B) HELP ACHIEVE MORE EFFECTIVE USE OF FOOD ABUNDANCES

C) PROVIDE FOR IMPROVED LEVELS OF NUTRITION AMONG LOW INCOME HOUSEHOLDS

② APPLICABLE TO ALL 50 STATES, DISTRICT OF COLUMBIA, GUAM, PUERTO RICO, AND THE VIRGIN ISLANDS

③ QUALIFYING HOUSEHOLDS PASSING FINANCIAL AND NON-FINANCIAL REQUIREMENTS MAY PURCHASE FOOD STAMPS (COUPONS) TO EXCHANGE FOR FOOD IN APPROVED WHOLESALE FOOD CONCERNS WHICH SHALL BE REDEEMABLE AT FACE VALUE AT THESE CONCERNS OR AT BANKS BY THE SECRETARY OF AGRICULTURE THROUGH THE U.S. TREASURY; THE DIFFERENCE BETWEEN THE PURCHASED FOOD STAMP FACE VALUE AND THE ACTUAL PURCHASE COST IS CONSIDERED "BONUS." PURCHASE COST RISES WITH HOUSEHOLD INCOME. INCOME LIMITS ARE UNIFORM NATIONALLY EXCEPT FOR ALASKA AND HAWAII. PAYMENT FOR FOOD STAMPS SHALL NOT EXCEED 30% OF NET HOUSEHOLD INCOME (HOUSEHOLD INCOME LESS LEGITIMATE DEDUCTIBLE EXPENSES). STAMP PURCHASE FORMULA IS BASED ON:

A) THE COST OF A NUTRITIONALLY ADEQUATE DIET, ADJUSTED SEMI-ANNUALLY, BASED ON BUREAU OF LABOR STATISTICS PUBLISHED (ECONOMY) FOOD PLAN.

B) HOUSEHOLD INCOME. INCOME IS ANY MONEY RECEIVED BY ALL MEMBERS OF THE HOUSEHOLD, EXCEPT STUDENTS UNDER 18 YEARS OLD, INCLUDING WAGES; PUBLIC ASSISTANCE, RETIREMENT, DISABILITY BENEFITS; PENSIONS; VETERANS', WORKMEN'S, OR UNEMPLOYMENT COMPENSATION; OLD AGE, SURVIVORS', OR STRIKE BENEFITS; SUPPORT PAYMENTS, ALIMONY, SCHOLARSHIPS, EDUCATIONAL GRANTS, FELLOWSHIPS AND VETERANS' EDUCATIONAL BENEFITS; DIVIDENDS, INTEREST, AND ALL OTHER PAYMENTS FROM ANY SOURCE WHICH MAY BE CONSIDERED A GAIN OR A BENEFIT.

C) DEDUCTIBLE HOUSEHOLD EXPENSES

(1) TEN PERCENT OF EARNED INCOME OR TRAINING ALLOWANCE NOT TO EXCEED $30 PER HOUSEHOLD PER MONTH.

(2) MANDATORY INCOME DEDUCTIONS SUCH AS:

--LOCAL, STATE, AND FEDERAL INCOME TAXES,
--SOCIAL SECURITY TAXES,
--RETIREMENT PAYMENTS,
--UNION DUES,
--GARNISHMENTS ONLY FOR DEDUCTIBLE ITEMS

(3) IF MORE THAN $10 A MONTH, ALL MEDICAL COSTS, EXCLUSIVE OF SPECIAL DIETS.

(4) PAYMENTS FOR CHILD OR INVALID CARE WHEN THIS CARE IS NECESSARY TO ENABLE A HOUSEHOLD MEMBER TO ACCEPT OR CONTINUE EMPLOYMENT OR PARTICIPATE IN JOB TRAINING.

(5) TUITION AND REQUIRED FEES FOR EDUCATION. THIS DOES NOT INCLUDE SUCH EXPENSES AS BOOKS, SCHOOL SUPPLIES, MEALS AT SCHOOL AND TRANSPORTATION.

(6) UNUSUAL EXPENSES SUCH AS LOSSES DUE TO FIRE, HURRICANE, FLOOD, OR THEFT AND COSTS OF FUNERALS WHICH ARE NOT COVERED BY INSURANCE OR PAID FOR IN GOODS OR MONEY DONATED BY A PRIVATE OR PUBLIC ORGANIZATION.

(7) COURT-ORDERED SUPPORT AND ALIMONY PA

(8) SHELTER COSTS WHICH ARE MORE THAN 30
OF HOUSEHOLD INCOME AS CALCULATED AF
OTHER DEDUCTIONS. SHELTER COSTS ARE

--UTILITIES (HEATING OR COOKING FUEL
CITY, BASIC SERVICE FEES FOR ONE T
SEWERAGE FEES),
--RENT,
--MORTGAGE PAYMENTS AND INTEREST ON
OWN HOME,
--REAL ESTATE TAXES AND SPECIAL STAT
ASSESSMENTS ON APPLICANT'S OWN HOM

D) HOUSEHOLDS TEMPORARILY VICTIMS OF DISAS
RECEIVE FOOD STAMPS. ALASKAN RESIDENTS
FOOD STAMPS TO BUY NON-FIREARM OR EXPLO
AND FISHING EQUIPMENT. PUERTO RICO, GU
VIRGIN ISLANDS HAVE SPECIAL STANDARDS O
BILITY, BUT NOT TO EXCEED THOSE IN THE

④ "HOUSEHOLD" MEANS:

A) A GROUP OF LEGALLY RELATED INDIVIDUALS
ONE ECONOMIC UNIT SHARING COMMON COOKIN

B) A SINGLE INDIVIDUAL LIVING ALONE WHO HA
FACILITIES.

C) A GROUP OF ELDERLY (OVER 60 YEARS OF AG
RELATED OR NON-RELATED NOT A RESIDENT O
TUTION OR BOARDING HOUSE, LIVING ALONE
SPOUSE, WITH OR WITHOUT KITCHEN FACILIT
PEOPLE MAY USE STAMP TO BUY MEALS FROM
QUALIFIED FOOD PREPARATION ESTABLISHMEN
EVEN BE DELIVERED TO THEM (MEALS ON WHE

⑤ FINANCIAL ELIGIBILITY REQUIREMENTS: RESOUR
LIQUID ASSETS AS CASH ON HAND, IN A BANK OR
SAVINGS INSTITUTION ACCOUNTS; U.S. SAVINGS
AND BONDS; AND SUCH NONLIQUID ASSETS AS BUI
(EXCEPT FOR THE FAMILY HOME), LAND, AND CER
PERSONAL PROPERTY. EACH HOUSEHOLD IS ALLOW
$1,500 IN RESOURCES EXCEPT FOR THOSE HOUSEH
OR MORE PERSONS WITH A MEMBER OR MEMBERS AG
THEN THE RESOURCES MAY NOT EXCEED $3,000.
RESOURCES ARE NOT CONSIDERED IN DETERMINING
ELIGIBILITY: HOME; ONE CAR AND OTHER UNLIC
LIFE INSURANCE POLICIES; REAL ESTATE THAT P
CONSISTENT WITH ITS FAIR MARKET VALUE; VEHI
FOR PURPOSES OF EMPLOYMENT; TOOLS OF A TRAD
MACHINERY, ETC.

RELEVANT CURRENTLY APPLICABLE POINTS REGARDING THE FOOD STAMP ACT OF 1964 AND AMENDMENTS THERETO

(7) COURT-ORDERED SUPPORT AND ALIMONY PAYMENTS.

(8) SHELTER COSTS WHICH ARE MORE THAN 30 PERCENT OF HOUSEHOLD INCOME AS CALCULATED AFTER ALL OTHER DEDUCTIONS. SHELTER COSTS ARE--

--UTILITIES (HEATING OR COOKING FUEL, ELECTRICITY, BASIC SERVICE FEES FOR ONE TELEPHONE, SEWERAGE FEES),
--RENT,
--MORTGAGE PAYMENTS AND INTEREST ON APPLICANT'S OWN HOME,
--REAL ESTATE TAXES AND SPECIAL STATE OR LOCAL ASSESSMENTS ON APPLICANT'S OWN HOME.

HOUSEHOLDS TEMPORARILY VICTIMS OF DISASTER MAY RECEIVE FOOD STAMPS. ALASKAN RESIDENTS MAY USE FOOD STAMPS TO BUY NON-FIREARM OR EXPLOSIVE HUNTING AND FISHING EQUIPMENT. PUERTO RICO, GUAM, AND THE VIRGIN ISLANDS HAVE SPECIAL STANDARDS OF ELIGIBILITY, BUT NOT TO EXCEED THOSE IN THE 50 STATES.

USEHOLD" MEANS:

A GROUP OF LEGALLY RELATED INDIVIDUALS LIVING AS ONE ECONOMIC UNIT SHARING COMMON COOKING FACILITIES.

A SINGLE INDIVIDUAL LIVING ALONE WHO HAS COOKING FACILITIES.

A GROUP OF ELDERLY (OVER 60 YEARS OF AGE) PEOPLE RELATED OR NON-RELATED NOT A RESIDENT OF AN INSTITUTION OR BOARDING HOUSE, LIVING ALONE OR WITH SPOUSE, WITH OR WITHOUT KITCHEN FACILITIES. ELDERLY PEOPLE MAY USE STAMP TO BUY MEALS FROM APPROVED AND QUALIFIED FOOD PREPARATION ESTABLISHMENTS WHICH MAY EVEN BE DELIVERED TO THEM (MEALS ON WHEELS).

ANCIAL ELIGIBILITY REQUIREMENTS: RESOURCES ARE SUCH
UID ASSETS AS CASH ON HAND, IN A BANK OR IN OTHER
INGS INSTITUTION ACCOUNTS; U.S. SAVINGS BONDS; STOCKS
BONDS; AND SUCH NONLIQUID ASSETS AS BUILDINGS
CEPT FOR THE FAMILY HOME), LAND, AND CERTAIN REAL OR
SONAL PROPERTY. EACH HOUSEHOLD IS ALLOWED UP TO
500 IN RESOURCES EXCEPT FOR THOSE HOUSEHOLDS OF TWO
MORE PERSONS WITH A MEMBER OR MEMBERS AGE 60 OR OVER.
N THE RESOURCES MAY NOT EXCEED $3,000. THE FOLLOWING
OURCES ARE NOT CONSIDERED IN DETERMINING FOOD STAMP
GIBILITY: HOME; ONE CAR AND OTHER UNLICENSES VEHICLES;
E INSURANCE POLICIES; REAL ESTATE THAT PRODUCES INCOME,
SISTENT WITH ITS FAIR MARKET VALUE; VEHICLE NEEDED
PURPOSES OF EMPLOYMENT; TOOLS OF A TRADESMAN; FARM
HINERY, ETC.

⑥ NON-FINANCIAL ELIGIBILITY REQUIREMENTS:

A HOUSEHOLD SHALL NOT BE ELIGIBLE IF IT INCLUDES AN ABLE-BODIED ADULT PERSON BETWEEN THE AGES OF EIGHTEEN AND SIXTY-FIVE (EXCEPT MOTHERS OR OTHER MEMBERS OF THE HOUSEHOLD WHO HAVE THE RESPONSIBILITY OF CARE OF DEPENDENT CHILDREN OR OF INCAPACITATED ADULTS. BONA FIDE STUDENTS IN ANY ACCREDITED SCHOOL OR TRAINING PROGRAM, PERSONS EMPLOYED AND WORKING AT LEAST 30 HOURS PER WEEK OR A NARCOTICS ADDICT OR ALCOHOLIC WHO REGULARLY PARTICIPATES, AS A RESIDENT OR NONRESIDENT, IN ANY DRUG ADDICTION OR ALCOHOLIC TREATMENT AND REHABILITATION PROGRAM) WHO EITHER (A) FAILS TO REGISTER FOR EMPLOYMENT AT A STATE OR FEDERAL EMPLOYMENT OFFICE OR, WHEN IMPRACTICAL, AT SUCH OTHER APPROPRIATE STATE OR FEDERAL OFFICE DESIGNATED BY THE SECRETARY, OR (B) HAS REFUSED TO ACCEPT EMPLOYMENT OR PUBLIC WORK AT APPLICABLE WAGE RATES.

ALL CHANGES IN INCOME OR DEDUCTIONS OF MORE THAN $25 AND ANY OTHER CHANGES IN HOUSEHOLD STATUS MUST BE REPORTED TO THE LOCAL WELFARE OR FOOD STAMP OFFICE WITHIN 10 DAYS OF THE CHANGES. THE HEAD OF THE HOUSEHOLD--OR HIS AUTHORIZED REPRESENTATIVE--CAN REPORT CHANGES BY MAIL, TELEPHONE, OR IN PERSON.

WHEN A HOUSEHOLD INTENDS TO MOVE TO ANOTHER FOOD STAMP PROJECT AREA, THE HEAD OF THE HOUSEHOLD SHOULD NOTIFY THE CERTIFICATION OFFICE. IF THE HOUSEHOLD COMPOSITION HAS NOT CHANGED AT THE TIME OF THE MOVE, CERTIFICATION WILL CONTINUE FOR 60 DAYS IN THE NEW AREA. THE HOUSEHOLD SURRENDERS ANY "AUTHORIZATION TO PURCHASE" CARDS (THE DOCUMENT HOUSEHOLDS GET WHEN CERTIFIED FOR PARTICIPATION, COMMONLY CALLED ATP CARDS) WHICH IT DOES NOT INTEND TO USE BEFORE THE MOVE. THE CERTIFICATION WORKER COMPLETES A TRANSFER FORM AND ADVISES THE HEAD OF THE HOUSEHOLD THAT HE MUST REPORT TO THE FOOD STAMP OFFICE IN HIS NEW AREA TO OBTAIN AN ID CARD AND THE AMOUNT OF STAMPS AUTHORIZED ON THE TRANSFER FORM. IF THE HOUSEHOLD WISHES TO CONTINUE RECEIVING FOOD STAMPS, A REQUEST FOR CERTIFICATION MUST BE MADE IN THE NEW AREA.

⑦ STATE OR TERRITORY ADMINISTRATIVE RESPONSIBILITIES:

A) ASSUME APPLICANT CERTIFICATION RESPONSIBILITY

B) CANNOT DECREASE WELFARE GRANTS BECAUSE HOUSEHOLDS PARTICIPATE IN FOOD STAMP PROGRAM

C) MUST INFORM LOW INCOME HOUSEHOLDS OF PROGRAM AND INSURE PARTICIPATION OF ELIGIBLE HOUSEHOLDS

D) ACCEPT, STORE AND PROTECT COUPONS AND ISSUE COUPON ALLOTMENTS AT LEAST TWICE A MONTH

E) GRANT FAIR HEARINGS TO AGGRIEVED HOUSEHOLDS

F) SHALL BE REIMBURSED BY SECRETARY OF AGRICULTURE AT 50 PERCENT OF SALARIES AND EXPENSES TO CARRY OUT PROGRAM (PL 93-347 SIGNED JULY 12, 1974)

⑧ VIOLATIONS AND ENFORCEMENT

A) STAMPS CANNOT BE TRANSFERRED BETWEEN HOUSEHOLDS, USED TO PAY PAST FOOD BILLS, SOLD FOR CASH, USED TO PURCHASE ALCOHOLIC BEVERAGES, TOBACCO, PET FOOD, PAPER PRODUCTS, SOAP.

B) VIOLATIONS TO ACT UP TO $100 VALUE IS A FELONY--UP TO $10,000 FINE, 5 YEARS IMPRISONMENT OR BOTH; BELOW $100 VALUE IS A MISDEMEANOR--UP TO $5,000 FINE, ONE YEAR IMPRISONMENT OR BOTH

① INCOME STANDARDS FOR A HOUSEHOLD

HOUSEHOLDS IN WHICH ALL MEMBERS ARE RECEIVING PUBLIC ASSISTANCE OR CERTAIN GENERAL ASSISTANCE PAYMENTS ARE ELIGIBLE FOR FOOD STAMPS WITHOUT REGARD TO INCOME AND RESOURCE ELIGIBILITY STANDARDS.

THE MAXIMUM ALLOWABLE INCOME FOR ALL OTHER HOUSEHOLDS INCLUDING THOSE IN WHICH SOME MEMBERS ARE RECEIVING PUBLIC ASSISTANCE OR GENERAL ASSISTANCE IN ANY STATE (EXCEPT ALASKA, HAWAII, PUERTO RICO, VIRGIN ISLANDS AND GUAM, WHICH HAVE SEPARATE STANDARDS BECAUSE OF DIFFERING FOOD COSTS) OR THE DISTRICT OF COLUMBIA SHALL BE THE HIGHER OF:

(1) THE MAXIMUM ALLOWABLE INCOME STANDARDS FOR EACH HOUSEHOLD SIZE WHICH WERE IN EFFECT IN SUCH STATE OR THE DISTRICT OF COLUMBIA PRIOR TO JULY 29, 1971, OR

(2) THE FOLLOWING MAXIMUM MONTHLY INCOME STANDARDS (SHOWN ACCORDING TO HOUSEHOLD SIZE):

1	$194	5	$593
2	273	6	680
3	393	7	767
4	500	8	853

FOR EACH ADDITIONAL HOUSEHOLD
MEMBER OVER EIGHT ADD $73

REF. U.S.D.A. FNS-72 REVISED JULY 1974.

THE FOOD STAMP PROGRAM
③ MONTHLY COUPON ALLOTMENTS AND PURCHASE REQUIREMENTS
48 STATES AND THE DISTRICT OF COLUMBIA

Number in Household:	1	2	3	4	5	6	7	8
Monthly allotment:	$46	$82	$118	$150	$178	$204	$230	$256
Monthly Net Income	Monthly Purchase Requirement:							
$ 0 - $ 19.99	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
20 - 29.99	1	1	0	0	0	0	0	0
30 - 39.99	4	4	4	4	5	5	5	5
40 - 49.99	6	7	7	7	8	8	8	8
50 - 59.99	8	10	10	10	11	11	12	12
60 - 69.99	10	12	13	13	14	14	15	16
70 - 79.99	12	15	16	16	17	17	18	19
80 - 89.99	14	18	19	19	20	21	21	22
90 - 99.99	16	21	21	22	23	24	25	26
100 - 109.99	18	23	24	25	26	27	28	29
110 - 119.99	21	26	27	28	29	31	32	33
120 - 129.99	24	29	30	31	33	34	35	36
130 - 139.99	27	32	33	34	36	37	38	39
140 - 149.99	30	35	36	37	39	40	41	42
150 - 169.99	33	38	40	41	42	43	44	45
170 - 189.99	36	44	46	47	48	49	50	51
190 - 209.99	38	50	52	53	54	55	56	57
210 - 229.99		56	58	59	60	61	62	63
230 - 249.99		62	64	35	66	67	68	69
250 - 269.99		62	70	71	72	73	74	75
270 - 289.99		62	76	77	78	79	80	81
290 - 309.99			82	83	84	85	86	87
310 - 329.99			88	89	90	91	92	93
330 - 359.99			94	95	96	97	98	99
360 - 389.99			100	104	105	106	107	108
390 - 419.99			100	113	114	115	116	117
420 - 449.99				122	123	124	125	126
450 - 479.99				126	132	133	134	135
480 - 509.99				126	141	142	143	144
510 - 539.99					150	151	152	153
540 - 569.99					150	160	161	162
570 - 599.99					150	169	170	171
600 - 629.99						172	179	180
630 - 659.99						172	188	189
660 - 689.99						172	194	198
690 - 719.99							194	207
720 - 749.99							194	216
750 - 779.99								216
780 - 809.99								216
810 - 839.99								216
840 - 869.99								216

For each person in excess of eight, add $22 to the monthly coupon allotment for an eight-person household.

REF. U.S.D.A. FNS-70 REVISED JULY 1974.

YEAR
1961
1962
1963
1964
1965
1966
1967
1968
1969
1970
1971
1972
1973
1974
OCT. 1974

REF.: STATISTICAL AB

THE NEW YORK T

② AN INCREASE IN FOOD STAMP BONUS VALUES.

--RAISES THE OVERALL LEVEL OF BENEFITS AVAILABLE FROM WELFARE PROGRAMS;

--REDUCES THE INEQUITABLE POSITION OF INDIVIDUALS, COUPLES, AND TWO-PARENT FAMILIES AS COMPARED WITH AFDC FAMILIES;

--REDUCES THE GEOGRAPHICAL VARIATIONS IN CUMULATIVE BENEFIT LEVELS;

--REDUCES THE CHILDBEARING AND FAMILY-SPLITTING INCENTIVES BY VIRTUE OF ITS AVAILABILITY TO ALL TYPES OF PEOPLE; AND

--RAISES BENEFIT-LOSS RATES FOR HIGHER INCOME BRACKETS BY EXTENDING FOOD STAMP ELIGIBILITY INTO THE MIDDLE-CLASS INCOME RANGE.

REF. STUDIES IN PUBLIC WELFARE: PAPER #15 "WELFARE IN THE '70S: A NATIONAL STUDY OF BENEFITS AVAILABLE IN 100 LOCAL AREAS", U.S.G.P.O., JULY 22, 1974, P. 9.

④ FEDERAL FOOD STAMP PROGRAM: 1961 TO 1974

(FOR YEARS ENDING JUNE 30)

YEAR	NUMBER OF PARTICIPATING AREAS	PARTICIPANTS JUNE 30 (1,000)	AVERAGE MONTHLY PARTICIPATION (1,000)	VALUE OF STAMPS USED				
						FEDERAL GOVERNMENT COST		
				TOTAL (MIL. DOL.)	PAID FOR BY PARTICIPANTS (MIL. DOLS)	TOTAL (MIL. DOL.)	PERCENT OF TOTAL	COST PER PARTICIPANT (DOLLARS)
1961	6	50	50	1	-	-	46.1	8
1962	8	141	143	35	22	13	37.4	92
1963	42	358	226	50	31	19	37.4	82
1964	43	360	367	73	45	29	39.0	78
1965	110	633	425	85	53	33	38.0	76
1966	324	1,218	864	174	109	65	37.2	75
1967	838	1,832	1,447	296	191	106	35.6	73
1968	1,027	2,420	2,211	452	279	173	38.3	78
1969	1,489	3,222	2,878	603	374	229	37.9	80
1970	1,747	6,457	4,340	1,090	540	550	50.4	127
1971	2,027	10,549	9,368	2,713	1,190	1,523	56.1	163
1972	2,130	11,668	11,109	3,309	1,511	1,797	54.3	155
1973	2,228	12,106	12,190	3,884	1,753	2,131	54.9	185
1974	2,818	13,480	-	4,727	2,009	2,718	57.5	209
OCT. 1974		14,800						

REF.: STATISTICAL ABSTRACTS, 1974, TABLE 151; STATISTICAL SUMMARIES OF OPERATIONS--FOOD STAMP PROGRAM, USDA. THE NEW YORK TIMES, JAN. 2, 1975.

U.S.D.A. FNS-70 REVISED JULY 1974.

① BUDGET AUTHORITIES--THOUSANDS OF DOLLARS FEDERAL BUDGET--DEPARTMENT OF AGRICULTURE

ITEM	FISCAL 1974			FISCAL 1975		
	1972 ENACTED	1973 EST.	1974 EST.	1973 ACTUAL	1974 EST.	1975 EST.
DEPARTMENTAL MANAGEMENT	38,365	40,676	70,097	40,901	42,530	57,432
SCIENCE & EDUCATION PROGRAMS	599.605	806,274	807,046	812,525	812,396	936,713
AGRICULTURAL ECONOMICS	37.547	40,660	40,660	40,953	43,712	48,769
MARKETING SERVICES	8,741	9,016	8,916	9,016	10,011	11,289
INTERNATIONAL PROGRAMS	1,349,053	923,922	682,560	924,088	584,741	810,624
AGRICULTURAL STABILIZATION & CONSERVATION	543,139	555,235	303,400	570,235	500,452	432,318
CORPORATIONS	4,628,070	3,346,250	3,531,409	3,346,250	3,372,738	4,331,412
[COMMODITY CREDIT CORPORATION]	[4,606,070]	[3,334,272]	[3,520,409]	[3,334,272]	[3,360,744]	[4,319,412]
RURAL DEVELOPMENT	1,626,452	1,590,625	1,161,097	1,393,163	894,168	1,006,225
ENVIRONMENTAL PROGRAMS	343,621	373,960	284,563	397,750	357,024	360,528
CONSUMER PROGRAMS	3,639,416	4,032,932	3,719,166	4,039,807	4,671,778	5,797,900
[FOOD STAMP PROGRAM]	[2,285,038]	[2,495,654]	[2,195,750]	[2,495,654]	[2,495,651] [500,000*]	[3,984,919]
FOREST PROTECTION & MANAGEMENT	688,359	575,565	531,407	590,876	967,850	728,623
SUMMARY (AS SHOWN)	13,502,368	12,295,115	11,140,261	12,165,564	12,257,400	14,521,834
SUMMARY (INCLUDING TRUST FUNDS, ETC.)	12,825,161	11,532,206	10,400,319	11,417,432	11,821,056	14,046,348

*SUPPLEMENTAL NOW REQUESTED

(FOR YEARS ENDING JU

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COMMODITY DISTRIBUTION
INSTITUTIONS AND WE
PERSONS PARTICIPAT
QUANTITY. . . . .
COST[1] . . . . . .
SCHOOL LUNCH PROGRA
CHILDREN PARTICIPA
QUANTITY
COST[1]
NATIONAL SCHOOL LUNCH
CHILDREN PARTICIPAT
COST. . . . .
SPECIAL MILK PROGRAM:
QUANTITY REIMBURSED
FEDERAL COST. . . .
FOOD STAMP PROGRAM:
PERSONS PARTICIPATI
FEDERAL COST. . . .
TOTAL FEDERAL COSTS .

[1] REPRESENTS COST TO THE

[2] COMPRISES ELEMENTARY A

[3] REFERS TO SUBSIDY PAYM

[4] INITIATED IN SEPTEMBER

REF.: STATISTICAL ABST

③ THE 1972 TOTAL U.S. PROFILE OF FOOD STAMP PROGRAM PARTICIPANTS BY HOUSEHOLD SIZE AND IN

	HOUSEHOLD SIZE						
MONTHLY INCOME	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON
				ALL PERSONS (NUMBER)			
0 to $29.99	58,726	77,020	89,113	69,776	64,220	57,235	35,135
$30 to $39.99	24,437	16,811	19,154	16,634	10,562	7,556	4,433
$40 to $49.99	37,441	28,857	25,791	14,726	9,008	6,111	3,691
$50 to $69.99	119,558	71,098	60,983	43,750	26,969	16,703	12,342
$70 to $99.99	236,945	199,004	116,080	93,941	65,015	45,720	25,493
$100 to $149.99	496,351	461,708	381,066	228,864	158,559	109,507	79,435
$150 to $249.99		628,891	712,194	651,242	460,819	353,570	242,810
$250 to $359.99			153,256	465,642	448,046	330,947	248,372
$360 to $419.99				75,237	196,228	94,514	111,665
$420 to $479.99					50,477	145,391	135,387
$480 to $539.99						28,402	25,471
$540 and up							17,963
TOTAL	973,458	1,483,389	1,557,637	1,659,812	1,489,903	1,255,656	942,198
				PUBLIC ASSISTANCE PERSONS (NUMBER)			
0 to $29.99	8,746	14,466	13,536	4,529	4,740	3,841	2,039
$30 to $39.99	9,352	7.067	6,621	5,162	730	577	384
$40 to $49.99	19,369	14,335	12,199	5,384	2,418	991	348
$50 to $69.99	68,903	34,127	33,374	18,031	8,871	4,521	3,484
$70 to $99.99	160,026	121,689	67,352	51,896	26,652	11,010	7,000
$100 to $149.99	399,881	326,953	283,389	144,343	93,370	53,954	38,095
$150 to $249.99		487,583	558,437	471,480	300,496	211,341	127,612
$250 to $359.99			117,001	378,412	330,342	262,894	146,984
$360 to $419.99				69,460	163,352	56,756	72,577
$420 to $479.99					47,404	120,187	111,731
$480 to $539.99						24,587	11,463
$540 and up							16,285
TOTAL	666,277	1,006,220	1,091,909	1,148,697	978,375	759,659	537,966

1975 EST.
57,432
936,713
48,769
11,289
810,624
432,318
4,331,412
[4,319,412]
1,006,225
360,528
5,797,900
[3,984,919]
728,623
14,521,834
14,046,348

② FEDERAL FOOD PROGRAMS: 1965 TO 1974

(FOR YEARS ENDING JUNE 30, PARTICIPATION DATA FOR PEAK MONTH. INCLUDES PUERTO RICO, GUAM, TRUST TERRITORY OF THE PACIFIC ISLANDS, VIRGIN ISLANDS, AND AMERICAN SAMOA)

PROGRAM	1965	1968	1969	1970	1971	1972	1973	1974
COMMODITY DISTRIBUTION:								
INSTITUTIONS AND WELFARE CASES:								
PERSONS PARTICIPATING 1,000	7,148	4,726	5,032	6,876	6,797	6,291	5,570	
QUANTITY. . . . . MIL. LB.	1,313	871	1,200	1,320	1,466	1,362	1,110	
COST[1] . . . . MIL.DOL.	257	147	250	312	346	337	282	
SCHOOL LUNCH PROGRAMS:								
CHILDREN PARTICIPATING 1,000	20,390	21,104	24,056	24,175	24,906	25,376	28,119	
QUANTITY MIL. LB.	973	1,027	1,042	1,073	1,109	1,185	980	
COST[1] MIL. DOL.	272	276	272	266	279	315	260	
NATIONAL SCHOOL LUNCH PROGRAM:[2]								
CHILDREN PARTICIPATION. 1,000	18,666	20,614	22,079	23,127	24,640	25,941	25,086	
COST. . . . . MIL. DOL.	130	160	204	300	532	739	877	
SPECIAL MILK PROGRAM:[4]								
QUANTITY REIMBURSED . . . . MIL.½ PT.	2,967	3,036	2,944	2,902	2,570	2,498	2,534	
FEDERAL COST. . . . . MIL. DOL.	97	102	101	101	91	90	91	
FOOD STAMP PROGRAM:								
PERSONS PARTICIPATING 1,000	425	2,211	3,222	6,457	10,549	11,594	12,106	13,480
FEDERAL COST. . . . . MIL. DOL.	33	173	229	550	1,523	1,797	2,134	2,318
TOTAL FEDERAL COSTS . . . . MIL. DOL.	789	858	1,056	1,529	2,771	3.278	3,644	

[1] REPRESENTS COST TO THE FEDERAL GOVERNMENT OF THE COMMODITY AS DELIVERED TO THE STATE DISTRIBUTING AGENCY.

[2] COMPRISES ELEMENTARY AND SECONDARY SCHOOLS.

[3] REFERS TO SUBSIDY PAYMENTS BY THE FEDERAL GOVERNMENT; EXCLUDES ADMINISTRATIVE COSTS.

[4] INITIATED IN SEPTEMBER 1954 TO INCREASE THE CONSUMPTION OF FLUID MILK IN SCHOOLS AND CHILD-CARE INSTITUTIONS.

REF.: STATISTICAL ABSTRACTS, 1973 AND 1974, TABLE 147.

TAMP PROGRAM PARTICIPANTS BY HOUSEHOLD SIZE AND INCOME RANGE FOR THE MONTH OF JUNE

HOUSEHOLD SIZE

	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON	9 PERSON	10 OR MORE PERSON	TOTAL
	ALL PERSONS (NUMBER)							
13	69,776	64,220	57,235	35,135	23,656	15,204	22,753	512,839
54	16,634	10,562	7,556	4,433	2,684	1,470	3,739	107,480
91	14,726	9,008	6,111	3,691	5,104	2,443	3,043	136,215
33	43,750	26,969	16,703	12,342	11,315	7,422	16,911	387,051
30	93,941	65,015	45,720	25,493	26,470	9,963	39,199	857,830
66	228,864	158,559	109,507	79,435	54,765	32,374	56,689	2,059,318
94	651,242	460,819	353,570	242,810	184,271	127,623	201,434	3,562,854
56	465,642	448,046	390,947	248,372	168,364	109,363	208,416	2,192,406
-------	75,237	196,228	94,514	111,665	107,011	50,805	94,496	729,956
-------	-------	50,477	145,391	135,387	78,087	52,324	70,804	532,470
-------	-------	-------	28,402	25,471	148,161	38,951	56,402	297,387
-------	-------	-------	-------	17,963	41,239	102,842	187,075	349,119
37	1,659,812	1,489,903	1,255,656	942,198	851,127	550,784	960,961	11,724,925
	PUBLIC ASSISTANCE PERSONS (NUMBER)							
36	4,529	4,740	3,841	2,039	573	866	657	53,998
21	5,162	730	577	384	-------	-------	-------	29,893
99	5,384	2,418	991	348	118	565	-------	55,727
74	18,031	8,871	4,521	3,484	1,624	1,682	-------	174,617
52	51,896	26,652	11,010	7,000	7,282	1,412	7,360	461,679
89	144,343	93,370	53,954	38,095	18,317	10,738	9,554	1,378,558
37	471,480	300,496	211,341	127,612	87,629	45,732	60,987	2,351,297
01	378,412	330,342	262,894	146,984	86,454	47,537	81,456	1,451,080
-------	69,460	163,352	56,756	72,577	63,909	27,225	44,028	501,307
-------	-------	47,404	120,187	111,731	61,292	32,705	350,040	408,359
-------	-------	-------	24,587	11,463	131,604	26,668	24,494	218,816
-------	-------	-------	-------	16,285	30,275	76,871	114,729	238,160
09	1,148,697	978,375	759,659	537,966	489,082	272,001	378,305	7,328,491

Ref. 3.

(1) Table 3. SIZE OF HOUSEHOLD AND RELATIONSHIP—HOUSEHOLDS BY TOTAL MONEY INCOME IN

(Excludes inmates of institutions. Includes 1,067,000 members of the Armed Forces in the United States living off post or with their families on post but excludes
the Armed Forces. (Households as of March 1974)

SUBJECT	ALL HOUSE-HOLDS (THOU-SANDS)	TOTAL	UNDER $1,000	$1,000 TO $1,499	$1,500 TO $1,999	$2,000 TO $2,499	$2,500 TO $2,999	$3,000 TO $3,499	$3,500 TO $3,999	$4,000 TO $4,999	$5,000 TO $5,999	$6,000 TO $6,999	$7,000 TO $7,999	$8,000 TO $8,999	$9,000 TO $9,999	$10,000 TO $11,999	$12,000 TO $14,999
		TOTAL HOUSEHOLD INCOME															
TOTAL	69 859	100.0	1.9	1.8	2.5	3.0	2.8	2.9	2.6	5.4	5.0	5.0	4.9	5.0	4.7	9.7	12.9
ALL MEMBERS RELATED	67 620	100.0	1.9	1.8	2.5	3.1	2.9	2.9	2.6	5.4	5.0	4.9	4.9	5.0	4.7	9.7	12.9
ALL MEMBERS UNRELATED . . .	1 497	100.0	1.4	0.6	1.9	1.8	1.6	2.7	3.2	7.2	5.1	5.8	4.2	6.8	4.7	9.4	13.0
SOME MEMBERS UNRELATED. . .	742	100.0	1.3	-	0.2	1.0	1.0	1.4	1.9	3.1	4.3	5.7	3.9	4.0	5.1	10.5	12.6
ONE-PERSON HOUSEHOLDS . . .	13 368	100.0	5.5	6.6	8.4	9.8	7.6	6.5	5.0	9.0	6.7	5.6	4.8	4.8	3.6	5.5	5.0
TWO-PERSON HOUSEHOLDS . . .	21 495	100.0	1.4	0.9	1.7	2.3	2.9	3.2	3.2	7.0	6.5	6.3	5.9	5.7	5.0	9.6	12.4
RELATED	20 238	100.0	1.4	0.9	1.7	2.3	2.9	3.2	3.2	6.9	6.6	6.3	6.0	5.6	5.0	9.6	12.4
UNRELATED	1 257	100.0	1.5	0.7	2.0	1.9	1.6	3.2	3.4	7.6	5.7	5.9	4.2	7.4	4.9	9.2	12.5
THREE-PERSON HOUSEHOLDS . .	11 913	100.0	1.2	0.7	0.9	1.1	1.5	1.6	1.5	3.4	4.2	4.8	5.3	5.4	5.4	12.1	15.4
ALL RELATED	11 494	100.0	1.1	0.7	0.9	1.1	1.5	1.6	1.5	3.4	4.2	4.7	5.2	5.4	5.4	12.1	15.4
ALL UNRELATED	170	100.0	1.9	-	1.6	0.9	2.1	-	1.8	3.7	2.7	2.7	4.8	5.7	4.6	10.6	10.4
SOME UNRELATED.	248	100.0	2.2	-	0.7	1.7	0.6	2.4	2.8	3.1	5.9	7.3	7.6	6.2	3.9	12.2	12.2
FOUR-PERSON HOUSEHOLDS. . .	10 900	100.0	0.8	0.4	0.5	0.7	0.7	1.1	1.4	2.4	2.8	3.3	4.0	4.5	4.8	12.1	17.6
ALL RELATED	10 654	100.0	0.8	0.4	0.5	0.7	0.7	1.1	1.4	2.3	2.8	3.2	4.0	4.5	4.8	12.2	17.7
ALL UNRELATED	59	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)
SOME UNRELATED.	187	100.0	-	-	-	0.8	1.6	2.5	2.4	4.9	3.4	6.4	1.7	3.6	7.8	10.0	14.1
FIVE-PERSONS HOUSEHOLDS . .	6 469	100.0	0.8	0.3	0.7	0.8	0.7	1.2	1.3	2.9	2.9	3.0	3.4	4.0	4.5	9.9	17.0
ALL RELATED	6 325	100.0	0.8	0.3	0.7	0.8	0.8	1.2	1.3	2.9	3.0	3.0	3.4	4.0	4.5	9.9	17.1
ALL UNRELATED	11	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)
SOME UNRELATED.	132	100.0	3.4	-	-	-	-	-	2.1	2.1	1.0	2.5	2.2	3.5	7.2	11.4	10.9
SIX-PERSON HOUSEHOLDS . . .	3 063	100.0	0.5	0.3	0.6	0.6	1.1	1.1	1.4	3.3	3.2	4.0	2.7	4.6	4.0	9.8	16.0
ALL RELATED	2 982	100.0	0.5	0.3	0.7	0.6	1.1	1.1	1.4	3.4	3.1	4.0	2.7	4.6	4.1	9.7	16.1
ALL UNRELATED	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)
SOME UNRELATED.	82	100.0	-	-	-	-	1.8	-	-	2.0	7.4	3.5	1.8	1.8	1.6	11.8	12.0
SEVEN-OR-MORE-PERSON HOUSEHOLDS	2 651	100.0	0.6	0.3	0.7	0.7	1.1	1.2	1.4	4.1	4.6	4.4	4.7	4.8	4.2	10.2	13.6
ALL RELATED	2 559	100.0	0.7	0.4	0.7	0.7	1.1	1.2	1.4	4.2	4.7	4.3	4.8	4.9	4.3	10.4	13.5
ALL UNRELATED	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)
SOME UNRELATED.	92	100.0	-	-	-	2.0	1.6	-	-	1.6	3.9	6.6	3.3	1.6	3.1	4.2	15.2

- REPRESENTS ZERO. B BASE LESS THAN 75,000. X NOT APPLICABLE.

Reference 10. Estimated eligible population to left and below line.

(2) 1973 HOUSEHOLDS--THOUSAND

HOUSE-HOLD TYPE / ANNUAL INCOME	UNDER $1000	$1000-1499	$1500-1999	$2000-2499	$2500-2999	$3000-3499	$3500-3999
1 PERSON	735	880	1120	1300	1020	-	-
2 PERSON	300	195	365	460	625	690	690
3 PERSON	140	85	105	130	180	190	180
4 PERSON	85	45	55	75	75	120	155
5 PERSON	50	20	45	50	45	35	90
6 PERSON	15	10	20	20	35	35	45
7 PERSON & OVER (EST. 8 PERSON)	15	8	20	20	30	30	35

REFERENCE 10.

DS BY TOTAL MONEY INCOME IN 1973

if post or with their families on post but excludes all other members of
974)

COME								MEDIAN INCOME (DOL-LARS)	MEAN INCOME (DOL-LARS)
$7,000 TO $7,999	$8,000 TO $8,999	$9,000 TO $9,999	$10,000 TO $11,999	$12,000 TO $14,999	$15,000 TO $24,999	$25,000 TO $49,999	$50,000 AND OVER		
4.9	5.0	4.7	9.7	12.9	22.1	6.9	0.9	10 512	12 157
4.9	5.0	4.7	9.7	12.9	22.0	6.8	0.8	10 477	12 097
4.2	6.8	4.7	9.4	13.0	21.7	7.9	1.0	10 648	12 825
3.9	4.0	5.1	10.5	12.8	30.7	9.7	3.2	13 516	16 299
4.8	4.8	3.6	5.5	5.0	4.4	0.8	0.3	4 065	5 784
5.9	5.7	5.0	9.6	12.4	19.6	5.5	1.0	9 612	11 611
6.0	5.6	5.0	9.6	12.4	19.5	5.4	1.0	9 588	11 573
4.2	7.4	4.9	9.2	12.5	20.5	7.0	0.8	9 999	12 213
5.3	5.4	5.4	12.1	15.4	26.6	8.1	0.8	12 172	13 720
5.2	5.4	5.4	12.1	15.4	26.7	8.1	0.8	12 136	13 706
4.8	5.7	4.6	10.6	18.4	25.6	11.7	0.9	13 087	14 431
7.6	6.2	3.9	12.2	12.2	21.9	7.7	1.8	10 949	13 057
4.0	4.5	4.8	12.1	17.6	31.7	10.5	0.9	13 819	15 300
4.0	4.5	4.8	12.2	17.7	31.8	10.5	0.9	13 830	15 256
(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)
1.7	3.6	7.8	10.0	14.1	26.6	9.9	4.2	13 023	16 489
3.4	4.0	4.5	9.9	17.0	34.3	11.0	1.3	14 380	15 813
3.4	4.0	4.5	9.9	17.1	34.1	11.0	1.2	14 346	15 750
(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)
2.2	3.5	7.2	11.4	10.9	41.4	7.3	5.2	15 937	18 247
2.7	4.6	4.0	9.8	16.0	32.8	12.6	1.4	14 403	15 953
2.7	4.6	4.1	9.7	16.1	32.6	12.6	1.3	14 361	15 872
(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)
1.8	1.8	1.6	11.8	12.0	40.6	12.0	3.7	16 548	18 911
4.7	4.8	4.2	10.2	13.6	29.4	12.5	1.5	13 336	15 470
4.8	4.9	4.3	10.4	13.5	29.1	12.3	1.5	13 421	15 402
(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)
3.3	1.6	3.1	4.2	15.2	39.1	16.2	1.7	16 705	17 384

1973 HOUSEHOLDS--THOUSANDS*

$2500-2999	$3000-3499	$3500-3999	$4000-4999	$5000-5999	$6000-6999	$7000-7999	$8000-8999	$9000-9999	$10,000 11,999
1020	-	-	-	-	-	-	-	-	-
625	690	690	-	-	-	-	-	-	-
180	190	180	405	500	-	-	-	-	-
75	120	155	260	305	360	440	-	-	-
45	35	90	190	190	195	220	260	-	-
35	35	45	100	100	120	85	140	120	-
30	30	35	110	120	115	125	125	110	270

① ESTIMATE OF JULY 1974 MONTHLY FOOD STAMP BONUS--DOLLARS

HOUSEHOLD TYPE / ANNUAL INCOME	UNDER $1000	$1000-1499	$1500-1999	$2000-2499	$2500-2999	$3000-3499	$3500-3999	$4000-4999	$5000-5999	$6000-6999	$7000-7999	$8000-8999	$9000-9999	$10,0 11,9
EST QUALIFYING MONTHLY INCOME* →	45	75	115	145	175	215	255	295	365	435	495	565	635	73
1 PERSON	40	34	25	16	10	-	-	-	-	-	-	-	-	-
2 PERSON	82	67	56	47	38	26	20	-	-	-	-	-	-	-
3 PERSON	118	102	91	82	72	60	48	36	18	-	-	-	-	-
4 PERSON	150	134	122	113	103	91	79	67	46	28	24	-	-	-
5 PERSON	178	161	149	139	130	118	106	94	73	55	39	28	-	-
6 PERSON	204	187	173	164	155	143	131	119	98	80	62	44	32	-
7 PERSON & OVER (EST. 8 PERSON)	256	237	223	214	205	193	181	169	148	130	112	94	67	40

*ANNUAL INCOME LESS APPROXIMATELY 20% ESTIMATED AVERAGE VALID DEDUCTIONS.

② ESTIMATE OF NUMBER OF E

HOUSEHOLD TYPE / ANNUAL INCOME	UNDER $1000	$1000-1400	$1500-1999	$2000-2499	$250 299
1 PERSON	735	880	1120	1300	102
2 PERSON	600	390	730	920	125
3 PERSON	420	255	315	390	54
4 PERSON	340	180	220	300	30
5 PERSON	250	100	225	250	22
6 PERSON	90	60	120	120	21
7 PERSON & OVER (EST. 8 PERSON)	120	100	160	160	24
TOTAL	2555	1965	2890	3440	378
CUMULATIVE TOTAL	2555	4520	7410	10,850	14,63

*USING 1973 HOUSEHOLD TOTALS.

③ ESTIMATED MONTHLY FEDERAL OUTLAY--MILLIONS OF DOLLARS (RO

HOUSEHOLD TYPE / ANNUAL INCOME	UNDER $1000	$1000-1499	$1500-1999	$2000-2499	$2500-2999	$3000-3499	$3500-3999	$4000-4999	$5000-5999	$6000-6999	
1 PERSON	30.0	30.0	28.0	21.0	10.0	-	-	-	-	-	
2 PERSON	25.0	13.0	20.5	21.5	24.0	18.0	14.0	-	-	-	
3 PERSON	27.0	9.0	10.0	10.5	13.0	11.5	8.5	14.5	9.0	-	
4 PERSON	13.0	6.0	7.0	7.5	8.0	11.0	12.0	17.5	14.0	10.0	
5 PERSON	9.0	3.0	7.5	7.0	6.0	10.0	10.0	18.0	14.0	11.0	
6 PERSON	3.0	2.0	3.5	5.5	5.5	4.0	6.0	12.0	10.0	10.0	
7 PERSON & OVER (EST. 8 PERSON)	4.0	2.0	2.5	3.5	6.0	6.0	6.5	19.0	18.0	15.0	
MONTHLY TOTAL	111.0	65.0	79.0	76.5	72.5	60.5	57.0	81.0	65.0	46.0	
YEARLY TOTAL (ROUNDED)	1320	780	950	920	870	730	680	970	780	550	
CUMULATIVE YEARLY TOTAL	1320	2100	3050	3970	4840	5570	6250	7220	8000	8550	9

P BONUS--DOLLARS

$4000-4999	$5000-5999	$6000-6999	$7000-7999	$8000-8999	$9000-9999	$10,000 11,999
295	365	435	495	565	635	735
-	-	-	-	-	-	-
-	-	-	-	-	-	-
36	18	-	-	-	-	-
67	46	28	24	-	-	-
94	73	55	39	28	-	-
119	98	80	62	44	32	-
169	148	130	112	94	67	40

② ESTIMATE OF NUMBER OF ELIGIBLE PEOPLE IN JULY 1974--THOUSANDS*

ANNUAL INCOME E- TYPE	UNDER $1000	$1000-1400	$1500-1999	$2000-2499	$2500-2999	$3000-3499	$3500-3999	$4000-4999	$5000-5999	$6000-6999	$7000-7999	$8000-8999	$9000-9999	$10,000 11,999
PERSON	735	880	1120	1300	1020	-	-	-	-	-	-	-	-	-
PERSON	600	390	730	920	1250	1380	1380	-	-	-	-	-	-	-
PERSON	420	255	315	390	540	570	540	1215	1500	-	-	-	-	-
PERSON	340	180	220	300	300	480	620	1040	1220	1440	1560	-	-	-
PERSON	250	100	225	250	225	425	450	950	950	975	1100	1300		
PERSON	90	60	120	120	210	210	270	600	600	720	510	840	720	-
PERSON & OVER EST. 8 PERSON)	120	100	160	160	240	240	280	880	960	920	1000	1000	880	2160
TOTAL	2555	1965	2890	3440	3785	3305	3540	4685	5230	4055	4170	3140	1600	2160
ULATIVE TOTAL	2555	4520	7410	10,850	14,635	17,940	21,480	26,165	31,395	35,450	39,620	42,760	44,360	46,520

NG 1973 HOUSEHOLD TOTALS.

③ ESTIMATED MONTHLY FEDERAL OUTLAY--MILLIONS OF DOLLARS (ROUNDED)

$2000-2499	$2500-2999	$3000-3499	$3500-3999	$4000-4999	$5000-5999	$6000-6999	$7000-7999	$8000-8999	$9000-9999	$10,000 11,999	MONTHLY TOTAL
21.0	10.0	-	-	-	-	-	-	-	-	-	119.0
21.5	24.0	18.0	14.0	-	-	-	-	-	-	-	136.0
10.5	13.0	11.5	8.5	14.5	9.0	-	-	-	-	-	113.0
7.5	8.0	11.0	12.0	17.5	14.0	10.0	10.5	-	-	-	116.5
7.0	6.0	10.0	10.0	18.0	14.0	11.0	8.5	7.5	-	-	111.5
5.5	5.5	4.0	6.0	12.0	10.0	10.0	5.0	6.0	4.0	-	76.5
3.5	6.0	6.0	6.5	19.0	18.0	15.0	14.0	11.5	7.5	10.5	126.5
76.5	72.5	60.5	57.0	81.0	65.0	46.0	38.0	25.0	11.5	10.5	799.0
920	870	730	680	970	780	550	460	300	140	125	
3970	4840	5570	6250	7220	8000	8550	9010	9310	9450	9575	

① FOOD AND NUTRITION BOARD, NATIONAL ACADEMY OF SCIENCES–NATIONAL RESEAR
RECOMMENDED DAILY DIETARY ALLOWANCES,[a] Revised 1974

Designed for the maintenance of good nutrition of practically all healthy people in the

								Fat-Soluble Vitamins				Water-Soluble Vitamins						
	Age	Weight		Height		Energy	Protein	Vitamin A Activity		Vitamin D	Vitamin E Activity[e]	Ascorbic Acid	Folacin[f]	Niacin[g]	Riboflavin	Thiamin	Vitamin B_6	Vita min
	(years)	(kg)	(lbs)	(cm)	(in)	(kcal)[b]	(g)	(RE)[c]	(IU)	(IU)	(IU)	(mg)	(µg)	(mg)	(mg)	(mg)	(mg)	(µg)
Infants	0.0–0.5	6	14	60	24	kg × 117	kg × 2.2	420[d]	1,400	400	4	35	50	5	0.4	0.3	0.3	0.3
	0.5–1.0	9	20	71	28	kg × 108	kg × 2.0	400	2,000	400	5	35	50	8	0.6	0.5	0.4	0.3
Children	1–3	13	28	86	34	1,300	23	400	2,000	400	7	40	100	9	0.8	0.7	0.6	1.0
	4–6	20	44	110	44	1,800	30	500	2,500	400	9	40	200	12	1.1	0.9	0.9	1.5
	7–10	30	66	135	54	2,400	36	700	3,300	400	10	40	300	16	1.2	1.2	1.2	2.0
Males	11–14	44	97	158	63	2,800	44	1,000	5,000	400	12	45	400	18	1.5	1.4	1.6	3.0
	15–18	61	134	172	69	3,000	54	1,000	5,000	400	15	45	400	20	1.8	1.5	2.0	3.0
	19–22	67	147	172	69	3,000	54	1,000	5,000	400	15	45	400	20	1.8	1.5	2.0	3.0
	23–50	70	154	172	69	2,700	56	1,000	5,000		15	45	400	18	1.6	1.4	2.0	3.0
	51+	70	154	172	69	2,400	56	1,000	5,000		15	45	400	16	1.5	1.2	2.0	3.0
Females	11–14	44	97	155	62	2,400	44	800	4,000	400	12	45	400	16	1.3	1.2	1.6	3.0
	15–18	54	119	162	65	2,100	48	800	4,000	400	12	45	400	14	1.4	1.1	2.0	3.0
	19–22	58	128	162	65	2,100	46	800	4,000	400	12	45	400	14	1.4	1.1	2.0	3.0
	23–50	58	128	162	65	2,000	46	800	4,000		12	45	400	13	1.2	1.0	2.0	3.0
	51+	58	128	162	65	1,800	46	800	4,000		12	45	400	12	1.1	1.0	2.0	3.0
Pregnant						+300	+30	1,000	5,000	400	15	60	800	+2	+0.3	+0.3	2.5	4.0
Lactating						+500	+20	1,200	6,000	400	15	80	600	+4	+0.5	+0.3	2.5	4.0

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[a] The allowances are intended to provide for individual variations among most normal persons as they live in the United States under usual environmental stresses. Diets should be based on a variety of common foods in order to provide other nutrients for which human requirements have been less well defined. See text for more detailed discussion of allowances and of nutrients not tabulated. See Table I (p. 6) for weights and heights by individual year of age.

[b] Kilojoules (kJ) = 4.2 × kcal.

[c] Retinol equivalents.

[d] Assumed to be all as retinol in milk during the first six months of life. All subsequent intakes are assumed to be half as retinol and half as β-carotene when calculated from international units. As retinol equivalents, three fourths

[e] Total vitamin E activity, estimated to be
tocopherols. See text for variation in allow

[f] The folacin allowances refer to dietary so
Pure forms of folacin may be effective in
dietary allowance.

[g] Although allowances are expressed as niaci
niacin is derived from each 60 mg of dietar

[h] This increased requirement cannot be met
mental iron is recommended.

Reference 37.

IENCES-NATIONAL RESEARCH COUNCIL
ANCES,* Revised 1974

ally all healthy people in the U.S.A.

amins					Minerals					
ia- in* mg)	Ribo- flavin (mg)	Thia- min (mg)	Vita- min B_6 (mg)	Vita- min B_{12} (μg)	Cal- cium (mg)	Phos- phorus (mg)	Iodine (μg)	Iron (mg)	Mag- nesium (mg)	Zinc (mg)
5	0.4	0.3	0.3	0.3	360	240	35	10	60	3
8	0.6	0.5	0.4	0.3	540	400	45	15	70	5
9	0.8	0.7	0.6	1.0	800	800	60	15	150	10
2	1.1	0.9	0.9	1.5	800	800	80	10	200	10
5	1.2	1.2	1.2	2.0	800	800	110	10	250	10
8	1.5	1.4	1.6	3.0	1,200	1,200	130	18	350	15
0	1.8	1.5	2.0	3.0	1,200	1,200	150	18	400	15
0	1.8	1.5	2.0	3.0	800	800	140	10	350	15
8	1.6	1.4	2.0	3.0	800	800	130	10	350	15
6	1.5	1.2	2.0	3.0	800	800	110	10	350	15
6	1.3	1.2	1.6	3.0	1,200	1,200	115	18	300	15
4	1.4	1.1	2.0	3.0	1,200	1,200	115	18	300	15
4	1.4	1.1	2.0	3.0	800	800	100	18	300	15
3	1.2	1.0	2.0	3.0	800	800	100	18	300	15
2	1.1	1.0	2.0	3.0	800	800	80	10	300	15
2	+0.3	+0.3	2.5	4.0	1,200	1,200	125	18+[h]	450	20
4	+0.5	+0.3	2.5	4.0	1,200	1,200	150	18	450	25

As retinol equivalents, three fourths are as retinol and one fourth as β-carotene.
itamin E activity, estimated to be 80 percent as α-tocopherol and 20 percent other erols. See text for variation in allowances.
lacin allowances refer to dietary sources as determined by *Lactobacillus casei* assay. orms of folacin may be effective in doses less than one fourth of the recommended allowance.
gh allowances are expressed as niacin, it is recognized that on the average 1 mg of is derived from each 60 mg of dietary tryptophan.
creased requirement cannot be met by ordinary diets; therefore, the use of supple- iron is recommended.

② **TYPICAL NUTRITIONAL VALUES**

	COW'S MILK PER 100 GR.*	COW'S MILK PER QUART (~900 GR.)	BEEF STEAK PER 100 GR.*
KILOCALORIES	~66	~600	380
PROTEIN	3.4g	30 g	15.5g
CALCIUM	125 mg	1120 mg	9 mg
PHOSPHOROUS	100 mg	900 mg	142 mg
MAGNESIUM	10 mg	90 mg	
THIAMINE	0.045mg	0.40mg	0.07mg
RIBOFLAVIN	0.150mg	1.35mg	0.14mg
NIACIN	0.080mg	0.70mg	3.7 mg
PANTOTHENIC ACID	0.300mg	2.70mg	
INOSITOL	18 mg	160 mg	
VITAMIN B_{12}	0.300mg	2.70mg	
VITAMIN A	150 Iu	1350 Iu	70 Iu
VITAMIN C	--	--	--
IRON	--	--	2.3 mg

Reference 38. 1970.

ECONOMIC DEVELOPMENT PROGRAMS AS ANTI-POVERTY MEASURES*

I. URBAN SECTOR

A. Preliminary Comments

In 1969, the date of the last completed census of minority business, one could hardly be encouraged by the data. The 35 million minority group members owned approximately 322,000 business enterprises with total receipts of $10.6 billion.** While accounting for 17 percent of the population, minority groups owned but 4 percent of the businesses and only 7 percent of total gross receipts, but 2 percent of the receipts for the small business sector. Minorities were described as Blacks, American Indians, Eskimos and Spanish-Americans (Cuban, Mexican and Puerto Rican descent), Chinese, Japanese and some others. Minority-owned meant that either the sole owner or more than 50 percent of the partners were members of a minority group, or, in the case of small corporations, 50 percent or more of the stock was owned by members of a minority group. There is no confusion in 232,000 of these ventures. Here, the firm had no paid employees; being owned and solely operated by one person. Note that these businesses averaged only $7,000 gross receipts per firm, while the 90,000 minority businesses employing one person or more averaged $99,000 per business. In other words, 28 percent of the total minority-owned businesses accounted for 84 percent of the total receipts. Nor does the nature of these firms provide cause for jubilation. Over one-half were in the areas of "retail trade" and "selected services," while less than 10 percent were in contract construction. Select services and retail trade accounted for a full 62 percent of all revenues for minority-owned firms, but only 25 percent for business as a whole. On the other hand, manufacturing represented 39.3 percent of total receipts for all business, but only 6.1 percent for minority business. While manufacturing represents 6 percent of all firms, it accounts for only 2 percent of minority firms, and while each manufacturing company in the economy at-large received an average $1,471,000, minority firms averaged a paltry $42,000. It is clear that the notion that minority businesses are concentrated in traditional, low-growth areas is valid. Although all minority groups studied lagged behind the national norm in business ownership, blacks and Puerto Ricans were by far the groups which were least developed.

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*I am indebted to Steve Rosen for editorial suggestions and to Anthony Wiener for many constructive criticisms of earlier drafts of this paper. I alone am responsible for my conclusions.

**Unless otherwise noted, this data is taken from, Minority-Owned Businesses: 1969, Department of Commerce, 1971, pp. 1-6.

As Table C points out, "Other Minorities," which consist of American Indians, Orientals and Eskimos, has the highest ratio of business to population.* This reflects the relatively advanced business ownership position of Orientals. Geographically, heavier minority ownership appears where there are larger numbers of Orientals (and Mexican-Americans) among the minority population. However tradition has dictated that Chinese business ownership be concentrated in small service and retail establishments.

Although there are indications that these figures have undergone major changes in the past five years, exact figures will be unavailable until the Office of Minority Business Enterprise (OMBE) completes its current census, sometime in 1974. There are, however, indications that the changes are not as dramatic as OMBE would like. A recent survey of the top 100 black-owned businesses shows that only 28 have yearly receipts of over $5 million and that the majority of even those top 100 average less than 75 employees.[*] It may be that the improvements have been concentrated somewhere below the top levels of black business. Further, there have been notable gains in other areas, such as black banks, which will be discussed in detail below.

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*1972 SBA Economic Review.

Achieving parity for minority business ownership is a task of enormous proportions. Minority representation in the business population commensurate with its share of the population as a whole would require a quadrupling of the number of minority-owned businesses, from 322,000 to 1,160,000. Achieving a proportionate share of the gross receipts of the small business sector alone would require an eightfold increase, from $10.6 billion to $84 billion. Given the size of the problem, only modest improvements over the 1969 figures can be expected.

Economic development can be approached along three avenues. First one can introduce white industry into the poverty area in the form of company facilities or company resources. Up until quite recently the principal thrust of private sector programs provided for the establishment of major industry plants or subsidiaries in minority neighborhoods, such as the IBM Bedford-Stuyvesant project. Here, IBM set up a cable plant in Bedford-Stuyvesant which would ostensibly be turned over to the "community" when it became profitable or at least self-sufficient.

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[*] Black Enterprise, June 1973.

Unfortunately the project stayed afloat only with large and continuous infusions of funds from IBM. This has been criticized as not being "business." These projects are rarely if ever self-sufficient and, more importantly, are force-fit into the poverty area in a location where businesses of this type would not ordinarily be. Thus insurance costs are high, security virtually impossible, transportation inconvenient (industrial, not worker transportation--truckers, for example, are hesitant to enter these neighborhoods) and selling difficult.

For these and other reasons, emphasis has shifted away from this approach. On the other hand, projects of this nature have traditionally provided many jobs for the hard-core poor. Thus, it seems that this approach is really a transfer of government subsidy programs to the private sector, and hence cannot be thought of as an innovative step toward economic development of poor neighborhoods. It is merely an extension of the "dollar-injection" theory.

One reason why this is so is the fact these programs have produced few permanent job-holders. Fairmicco, a cooperative manufacturing and service venture in Washington, D.C., funded by Fairchild-Hiller and Washington, D.C. Micco (Model Inner City Community Corporation) was typical of this type of effort, and experienced many of the problems common to this approach.

> "During its first year or so, Fairmicco was troubled by high absenteeism and turnover, particularly among male employees; it had difficulty in recruiting a permanent general manager; and it found his performance unsatisfactory. As these problems were mitigated or overcome, prospects looked more promising. But two of three lines of business, proving to be unprofitable, were abandoned. And volume in the third, electronics work, has not yet reached sufficient volume to take up the ensuing slack. The inability to get sufficient

TABLE A

COMPARISON OF AVERAGE RECEIPTS FOR MINORITY-OWNED FIRMS WITH AND WITHOUT PAID EMPLOYEES

Item	Total	Negro	Spanish-speaking	Other minority
All minority-owned firms:				
Number (1,000)	322	163	100	59
Receipts (Million dollars.)	10,639	4,474	3,360	2,805
Firms with paid employees:				
Number (1,000)	90	38	33	19
Receipts (million dollars)	8,934	3,653	2,814	2,467
Receipts per firm ($1,000)	99	95	86	131
Firms with no paid employees:				
Number (1,000)	232	125	67	40
Receipts (million dollars)	1,705	821	546	338
Receipts per firm ($1,000)	7	7	8	8

TABLE B

COMPARISON OF NUMBER OF FIRMS AND BUSINESS RECEIPTS OF MINORITY-OWNED FIRMS TO TOTAL BUSINESS ACTIVITY

Industry division	Firms (1,000)								
	Number of all firms[1]	All minorities		Negro		Spanish-speaking		Other minorities	
		Number of firms	Percent of all firms	Number of firms	Percent of all firms	Number of firms	Percent of all firms	Number of firms	Percent of all firms
ALL INDUSTIRES, TOTAL.	7,489	322	4.3	163	2.2	100	1.3	59	.8
Contract construction	856	30	3.5	16	1.9	10	1.2	4	.4
Manufactures	401	8	2.0	3	.8	4	1.0	1	.2
Transportation and other public utilities	359	24	6.7	17	4.7	5	1.4	2	.6
Wholesale trade	434	5	1.2	1	.2	2	.5	2	.5
Retail trade	2,046	97	4.7	45	2.2	33	1.6	19	.9
Finance, insurance, and real estate	1,223	22	1.8	8	.6	8	.7	6	.5
Selected services	1,803	101	5.6	56	3.1	29	1.6	16	.9
Other industries and not classified	367	35	9.5	17	4.5	9	2.5	9	2.5

Industry division	Receipts (Million dollars)								
	Receipts of all firms[1]	All minorities		Negro		Spanish-speaking		Other minorities	
		Receipts	Percent of all receipts	Receipts	Percent of all receipts	Receipts	Percent of all receipts	Receipts	Percent of all receipts
ALL INDUSTRIES TOTAL.	1,497,969	10,639	.7	4,474	.3	3,360	.2	2,805	.2
Contract construction	92,291	947	1.0	464	.5	300	.3	183	.2
Manufactures	588,682	650	.1	303	.1	212	(Z)	135	(Z)
Transportation and other public utilities	106,040	395	.4	211	.2	115	.1	69	.1
Wholesale trade	213,196	939	.4	385	.2	275	.1	279	.1
Retail trade	320,751	5,178	1.6	1,932	.6	1,689	.5	1,557	.5
Finance, insurance, and real estate	86,670	539	.6	288	.3	109	.1	142	.2
Selected services	61,858	1,464	2.4	663	1.1	507	.8	294	.5
Other industries and not classified	28,481	527	1.8	228	.8	153	.5	146	.5

(Z) Less than .05 percent

[1] Based on data from IRS statistics of income for 1967.

TABLE C

MINORITY POPULATION TO BUSINESS OWNERSHIP RATIOS BY MINORITY GROUP

Group	Population	Businesses	Persons Per Business
Blacks	22,673,000	163,073	139
Puerto Ricans	1,454,000	5,953	244
Mexican-Americans	5,073,000	70,146	72
Other Spanish-Speaking	1,956,000	24,082	81
Other Minorities	2,881,000	58,673	49
Nonminorities	169,148,000	7,167,004	24
Total All U.S.	203,185,000	7,489,000	27

> government patronage for that line, and unwillingness of others to join it in refinancing Fairmicco, led in 1970 to the virtual termination of Fairchild-Hiller's participation in Fairmicco."*

It bears notice that the job turnover rate in the first year was over 125 percent and did not significantly improve thereafter.

White industry has tended to hire anybody hoping that an adequate percentage can adapt to the business environment. This approach fails perhaps because large numbers of ghetto residents are unable to adapt in their present circumstances, precluding success. Thus, these programs may have some merit as disguised subsidies, but they fail in their attempts to create business sense or a business community within the ghetto.

The second avenue is the encouragement of in-the-ghetto-for-the-ghetto businesses. This has been, and remains, the goal of many Small Business Administration (SBA) and OEO programs. Many of these ventures are small, individually-oriented businesses that provide needed services and products to members of the minority community, and provide a rudimentary level of business socialization to ghetto residents.

The third approach which is becoming more and more the focal point of the overall economic development program, is the development of minority-owned business located in or out of the ghetto with markets stretching beyond minority group members to include the entire economic community: i.e., "real" businesses. This approach had been virtually ignored until the last four or five years and has run into many problems, which will be discussed in detail in a later section.

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*"Business and the Development of Ghetto Enterprise," The Conference Board, Inc., 1971, New York.

The degree of government participation in any of these programs could cover a large range, but there are basically two major alternatives. The first method implies a commitment by government to participate actively in programs by providing support and advice, but without actually running them. It is an attempt to affect the market without actually entering as a participant. It implies a willingness to spend money, develop programs and allow private enterprise to join in the effort without going against "the rules of business." This strategy has several advantages. It avoids government boondoggles and red tape. (This of course assumes that private industry boondoggles and red tape are not as bad.) It avoids the appearance, and perhaps the reality, of a dole. It is likely to build a proper foundation for the business community in the ghetto, and, finally, it exposes the ghetto to business practices. This is the essence of OMBE's program and the philosophy behind the Nixon Administration's anti-poverty initiatives. Most of the programs discussed in the following pages fall under this heading.

The second possibility is full government participation and was employed extensively by OEO throughout the sixties. It continues to be favored by critics of the Nixon approach, who claim that despite its artificiality, it injects more resources into the poverty area and reaches a broader range of the poor than does the OMBE method. This difference will be discussed in more depth below.

There has been a very definite trend toward a more "selective" form of economic development. This has been manifested in a number of ways. As noted, large white businesses are no longer concentrating on setting up plants or subsidiaries in poverty areas. Instead white businesses are concentrating their investments in Minority Enterprise, Small Business Investment Companies (MESBIC), and supplier improvement. Though MESBIC's will be discussed in detail later, suffice for now to say a MESBIC is either a profit or non-profit company funded by private enterprise, capable of leveraging two or three times its private capitalization from private lending institutions which are 90 percent guaranteed by SBA.* Supplier operations consist of attempting to upgrade or groom existing businesses to become regular future suppliers of white business. For example, IBM set up a quality control department at J.W. Microelectronics in Philadelphia, headed by one of its own quality control engineers, to groom JWM as a supplier and allow it to utilize more sophisticated techniques in all its operations. The result has been a decrease from 80 percent to 50 percent in the amount of JWM business which goes to IBM, with an increase in JWM's total business. This also illustrates the increasing use of cooperative public private programs.

In the public sector, OMBE is being asked to assume responsibility for programs formerly administered under OEO, which indicates to OMBE a further movement toward the "enterprise" concept. The current proposed $90 million budget for OMBE includes $38 million to administer Community Development Corporations (CDC), which heretofore had been under OEO auspices. In addition, SBA, in response to much criticism from both Congress and minority group spokesmen, has shifted to a policy of greater selectivity in granting loans--that is, grantees must have a more demonstrable chance of success than in previous years. A high SBA official has noted, "Before, we were responding to a huge demand to let people get started. Now we realize we did not do many of them a favor." The current word is "look more carefully at an applicant's chances of success."[*] This has been coupled with a greater emphasis on management and technical assistance.

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*An official description can be found in Special Catalog of Federal Programs Assisting Minority Enterprise--1971, Department of Commerce, Summer 1971.

Another important development is the movement away from investment in smaller ventures, including mom and pop stores, to larger, more "businesslike" enterprises. For example, OMBE will stress construction contracting while OEO emphasizes minority manufacturing, because each feels that their respective sectors will be an area of rapid growth for minority businessmen. A statistic that is viewed with some importance in economic development circles is the average size of each loan: the larger the better. As will be seen below, government agencies are universally moving in the direction of larger loans for potentially larger, more competitive industries. This does not necessarily mean that these ventures must exist and compete in the economic community as a whole; simply that whether the project be in-the-ghetto-for-the-ghetto or sales-targeted at the economic community at-large the emphasis is now on "competitive" size as well as success potential.

These trends have interesting implications. First, it is clear that the primary target group of the economic development effort has shifted from the hard-core poor to a higher strata, for both "size" and "success selectivity" favor those with some expertise and business knowledge, however limited. Traditionally the only available avenue by which lower poor could enter the business community is through the small, high-risk community store. A high SBA official has said, "the opportunity to go into business is essentially the opportunity to fail."* Government lending programs had proceeded on that assumption until recently. Now, however, means of escape for the hard-core poor have been diminished by the abandonment of that philosophy. Apparently, emphasis has shifted to the creation, encouragement and furthering of a minority middle class. The current thrust is attempting to mirror the traditional white success story to a far greater degree than had previous efforts, even if it must be at the short-run expense of the less advantaged poor. Seemingly, it is hoped that the creation of a sufficiently large minority middle class will pave the way for the remainder of the poor community. In one man's words, "We are now trying to do in twenty-five years what took whites 200."

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[*] Black Enterprise, October 1972.

This new approach is in many ways counter to the original OEO concept and objectives. That was, simply speaking, an across-the-board effort to upgrade the opportunities available to the poor, with special emphasis on hard-core youth. If we imagine the poor as a ladder, OEO attempted to lift the ladder by lifting the bottom rungs, while the "minority enterprise" approach attempts to pull the ladder up by lifting the top rungs. The difference is that the OEO approach was more of a universal program because it supposedly provided "maximum feasible participation" of the poor in all OEO-sponsored projects, even if they had no investment or real stake in them. (In reality, the poor's participation was something less than maximum.) The emphasis has been changed from participating in programs to participating in a business venture where there is a very definite stake. Under OEO, minority leaders would attempt to gain control of some sort of community project and in this way be in the position of determining what was best for the community under the limitations of that program. Now, many minority leaders, including former militants, are attempting to obtain government funding for business ventures, which even when successful, give them less political control over the fortunes of their community (although their own financial position may be enhanced to a greater degree than under the OEO approach). Whether or not this is intended, "minority enterprise" may well serve to co-opt many heretofore militant voices by providing an easier road to personal wealth. It is, of course, conjectural whether this result will be beneficial. Will the community be better off if many of the "leaders" lower their voices, or will the community have lost some of its most effective proponents of change? At this point, it is simply too early to tell.

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*Black Enterprise, October 1972.

B. Government Agencies Operating in the Economic Development Area

(Specific programs and private sector programs will be covered individually in the next section.):

1. OMBE

Established in 1969, OMBE "coordinates the plans, programs and operations of the Federal Government which affect or may contribute to the establishment, preservation and strengthening of minority business enterprise," in addition to "promoting mobilization of state and local organizations" and serving as a clearing house for useful information in this area. Most importantly, however, OMBE "provides financial assistance to public and private organizations so that they may render technical and management assistance to minority business enterprise."[*] This latter function has been increasingly emphasized since OMBE's inception and now comprises the Office's main task. OMBE, as noted, has been asked to undertake supervision of an increasing portion of the Government's urban economic development programs, and indications are that, along with SBA, it will be the economic development agency in the Nixon Administration.

In order to increase efficiency OMBE recently underwent a reorganization which greatly decentralized its operations. Previously, nearly all of OMBE's employees were located in Washington, which provided limited access for some minority businesses and funded organizations. Under the reorganization, OMBE will have six regional offices located in New York, Washington, D.C., Atlanta, Chicago, Dallas and San Francisco. According to OMBE, "each regional office shall direct the support and evaluation of most OMBE contracts and grants, and the mobilization of public and private resources in support of a minority enterprise program, over a prescribed multi-state region." Each office will have a regional director, a deputy regional director and technical staff similar to the previously centralized set-up. Regional directors will have much discretion over the administration of various programs and, in order to facilitate access, these regional offices will have maximum power to maintain and promote OMBE's program. The streamlined Washington, D.C. headquarters, in addition to the regional office, will contain two major national divisions: "a national programs division to develop, negotiate and coordinate minority business opportunity resources with other government agencies and with private industry; and an administrative and field coordination division, staffed with persons skilled in administrative functions such as program analysis, budget and financial management and automated information systems." It is expected that the following improvements will accrue from this reorganization: "tailoring of the program to meet unique regional and local conditions, more accurate monitoring of OMBE funded projects through frequent on-site visits, a more streamlined operation eliminating overlapping functions and unnecessary red tape, and above all improved services to the minority entrepreneur through increased contact among the OMBE staff, contractors and the individual minority entrepreneur."

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[*] United States Government Organization Manual.

2. SBA

Created in 1953, SBA is not primarily a minority-oriented economic development agency. In fact, the percentage of minority loans in the total SBA portfolio has shrunk from 41 percent in fiscal 1970 to 32 percent in fiscal 1972. The minority share of the loan dollar has gone from 23 to 19 percent in the same period. While SBA is quick to point out that assistance to minorities has increased by 33 percent in the number of loans and 60 percent in dollar terms in roughly five years, indications are, as noted earlier, that the percentage of SBA loans to minorities will further decrease, as the agency undertakes its policy of greater selectivity.*

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*Black Enterprise, October 1972.

Under Operation Business Mainstream, the official title of the minority enterprise program, SBA is attempting "to build a minority segment of the business community comparable to that of business as a whole."[*] Industry composition of ownership, therefore, is becoming increasingly important, as it is considered a key to "comparability." This would require significant inputs into wholesaling and manufacturing, two areas where minorities are perhaps most under-represented. Although a disproportionately large number of Minority Enterprise loans were made to firms in these two sectors in fiscal 1972, the deficiency in both size and number of firms in these areas is unlikely to be corrected in the short-run future.

The primary SBA function is, of course, to provide "financial counseling and loan guarantees and make direct or lender participation loans to small business concerns." SBA, like other agencies, is being forced to surrender some of its functions to OMBE. The House Small Business Committee reports, "the more effective method of delivering technical and managerial assistance to the beneficiaries...has now been transferred to OMBE." Nevertheless, SBA has recently attempted to upgrade its managerial and technical assistance to its loan recipients.

3. Economic Development Administration (EDA)

EDA was created in 1965 and is charged with the "long-range economic development of areas with severe unemployment and low family income problems." While OMBE concentrates its efforts in urban areas, EDA functions mainly in rural areas, providing loans, technical assistance and funding other beneficial projects, such as industrial parks.

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[*] 1972 SBA Economic Review.

4. OEO

If the proposed plan to have CDC's administered under OMBE is successful, OEO's role in the economic development area will be virtually nil, although final word on this awaits Congressional action.

C. Problems and Responses

Figure 1 sets out the problems facing minority businessmen and the various programs designed to deal with them. Checks indicate the applicability of a particular program to a problem, while asterisks indicate the main thrust of the program and the section in which the program will be dealt with in detail. In addition the section below delineates some specific problems and describes the government's response in terms of the design and aims of the relevant programs.

1. Debt Capital

Debt capital remains a very urgent need for minority businessmen and is a focal point of many programs. Before 1970 almost total emphasis in the economic development area was given to this problem. More recently, it has been recognized that a supply of debt capital alone was not enough and more emphasis is now being given to supportive services, such as managerial aid, in conjunction with loan programs.

Where: This problem shows up throughout the minority business community, but particularly in potentially larger ventures.

Response: SBA continues to be the chief supplier of debt capital through both its direct loan and loan guarantee programs. (The former applies to $50,000 15-year maximum direct loans. The latter stipulates that SBA will guarantee 90 percent of a qualified private loan to a potential minority businessman.) In fiscal 1973, of the $508.6 million

Figure 1

AGENCY	PROGRAM	DEBT CAPITAL	EQUITY CAPITAL	LACK OF MANAGERIAL & TECHNICAL EXPERTISE	MARKET ENTRY & PROCUREMENT	SHORT-RUN CREDIT	LACK OF SUFFICIENT RESOURCES	INSUR COS
OMBE	Local Business Development Organizations	✓*		✓				
	Business Management Development			✓*				
	Private Resource Centers			✓*				
	Business Resource Centers			✓*				
	Minority Business & Trade Associations			✓*				
	National Minority Purchasing Council				✓*			
	Construction Contractors Assistance Centers			✓*				
SBA	Equal Opportunity Loan Program	✓*		✓*		✓		
	Guaranteed Lease Program					✓*		
	Local Development Companies						✓*	
	Minority Business Development-8(A)				✓*			
	Minority Enterprise Small Business Investment Companies		✓*	✓				
	Line of Credit Program					✓*		
OEO	Community Development Companies	✓	✓*	✓	✓	✓		
	Opportunity Funding Corporations							✓*
TREASURY	Minimum Bank Deposit Program	✓*						
PRIVATE	Minbanc Capital Corporation		✓*					

in Federal loans and guarantees, $464.3 million are SBA obligations. SBA's total obligations have increased from $105.4 million in fiscal 1969 to the present rate--an over 400 percent increase.* As SBA has claimed only a 60 percent, 5-year increase in dollar amounts of direct loans as of fiscal '72, it is clear that the loan guarantee program is largely responsible for the dramatic increase.**

Though SBA supplies funds for many small businesses, minority ventures are funded under the Equal Opportunity Loan program (EOL) whose rules supposedly make borrowing much easier. In SBA's words, "character is usually more important than collateral." As will be seen below, this concept will undergo some basic changes, with success potential and repayment possibility becoming more important criteria. "We give the guy who has no place else to go a chance." Paradoxically, the drive for greater selectivity may diminish the effectiveness and help defeat the aim of the program. OMBE has attempted to expand, strengthen and simplify local delivery of a business packaging program (management and technical assistance as well as loan packaging) by the funding of Local Business Development Organizations (LBDO) of which there were 153 in January 1973, but only 149 in August 1973. LBDO's are the heart of OMBE's program. Many were first funded by use of a $40 million supplemental appropriation in fiscal 1972, and therefore are quite new. An additional $63.6 million was appropriated for this purpose in fiscal 1973. Reports from 34 LBDO's at the end of fiscal 1972 reported 15,637 clients (up 30 percent from the previous year), and 1,540 packaged loans (up 38 percent). Investment packages increased from $47.5 million in fiscal 1971 to $83 million in fiscal 1972, with an average package increasing from $43 to $60 thousand. LBDO's like other OMBE affiliates, are not created by OMBE, but in many cases are existing organizations that apply for funding as an LBDO. Thus, this is a combined public-private program unlike SBA's EOL. OMBE acts merely as a funding agency allowing the private concern to handle all phases of the operation, with certain guidelines, of course.

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*Hearings before the Subcommittee on Minority Small Business Enterprise, 10 May, 1973, Volume 1.

**Guarantees accounted for $162.8 million in F72 and an estimated $234 million in F73. Ibid.

OMBE also coordinates the Minority Bank Deposit Program, administered by the Treasury Department. This is a program designed to generate capital within the poverty area by increasing the amounts of government funds on deposit in minority banks. It is hoped that the resulting increases will result in increased loans to members of the minority community. This program is clearly a key contributor in the increases in recent years of the number of minority banks, as well as deposits. At the end of fiscal 1973 there were 37 minority-controlled banks, 17 of which are less than five years old; 44 minority savings and loan associations, four of which are less than five years old. Deposits in minority banks have increased from $395.4 million in September 1970 to $925 million in May 1973. The resulting increases in loans by these banks have not materialized, although 25,000 new loans were granted between September 1970 and September 1973. Andrew Brimmer, black member of the Federal Reserve Board, reports, "Black banks have demonstrated clearly the ability to attract deposits. Yet, they continued to face difficulties in finding reasonably secure outlets for their funds in the black community." He notes that loans represented 41.1 percent of total deposits in minority banks at the end of 1971, while they represented 64.5 percent in the banking industry as a whole. This percentage represented a 3.4 percent decline for all banks since 1959, but a 9.7 percent drop for black banks. The easy availability of government resources may have a detrimental effect. Investment in government securities comprised 42.4 percent of minority bank deposits, but only 31.5 percent in the industry at-large. Despite this, the emphasis on increasing the importance of black banks appears not to be misplaced.

2. Equity Capital

Lack of sufficient equity capital is considered more serious than debt capital due to the greater difficulty involved in locating and securing such funding.

Where: Lack of equity capital again shows up to a greater degree in larger ventures, although it is a common problem.

Response: SBA - The key program in the drive to develop equity capital is the Minority Enterprise Small Business Investment Companies (MESBIC), a cooperative effort by SBA and OMBE, with SBA doing the actual regulation. A MESBIC is a privately-owned and operated investment company, regulated by the SBA, which provides long-term equity funding to minority businesses. It is backed financially by major corporations and other businesses. MESBIC's capitalized at less than $500,000 may sell up to two times the amount of their capitalization in debentures to SBA, while those with $500,000 or more may sell three times.* However, private funds must be committed before the MESBIC's may sell these debentures.

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*Federal Programs for Minorities.

Thus a MESBIC with capitalization of $500,000 may place $2 million in investments. In addition, MESBIC's become eligible for large SBA loans (maximum $350,000/per) at 90 percent guarantees. As of November 1973, there were 56 MESBIC's with a private capitalization of $21.5 million. Combined with SBA debentures and private loans, this money is capable of generating $390 million in investments.[*] By the end of 1972 MESBIC's had made 442 financings using $7.6 million of its assets. That seed money generated only $35.9 million of other capital. Businesses thus financed employ over 4,440 people and have receipts of approximately $84.6 million.[**]

In response to the somewhat disappointing record of investment by private industry, Congress, at the request of the President, enacted legislation in October, 1972 to make participation in MESBIC's more attractive to the target group. This legislation for the first time gave statutory recognition to MESBIC's (referring to them as Limited Small Business Investment Companies although the term MESBIC remains in popular use), thus institutionalizing provisions originally developed by SBA administratively. In addition these new provisions authorized SBA to purchase non-voting 3 percent preferred stock instead of the usual debentures, thus saving the MESBIC interest costs. SBA can now subsidize the interest rate on the debentures at 3 percent below the normal rate for the first five years, which will result in additional saving. Also, and perhaps most important for the future, MESBIC's for the first time were allowed to organize as non-profit corporations, which provides first, a tax break and second, encouragement for foundations to invest. A further change in the law reduced the amount of capital necessary for third-dollar leverage from $1 million to $500,000 and grants that leverage for the entire capitalization, not just for the excess over the minimum as before. Curiously, many of these improvements cater to the venture capital problem rather than the more serious equity capital problem. Nevertheless this legislation appears to have had some effect, as private sector MESBIC capitalization increased from $16.9 million at the end of fiscal 1972 to the November 1973 figure. MESBIC's may have begun to catch on, as I am now told that this type of investment is replacing traditional white business investment in minority enterprise.

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[*] Updated (9/30/73) 65 MESBIC's at $26.5 million and government funds of $14.7 million.

[**] OMBE Report.

A survey done by OMBE on 25 MESBIC's in the fall of 1971 indicates problems, however. Of the $4.6 million invested in 275 businesses at that time, only 25 percent represented equity capital, the rest debt capital. Those 275 businesses obtained an additional $11 million in SBA loans creating approximately a 15-to-1 debt-equity ratio. One critic claims that MESBIC's have built-in features that would prevent the type of equity investment that is desired. "A MESBIC capitalized at $200,000, obtaining $400,000 from SBA is paying $22,000 in annual interest on debentures. The administrative expenses of those MESBIC's surveyed by OMBE average $65,000 a year. You come up with a figure of $87,000 which the MESBIC must generate each year. They are trapped unless they are carrying the kind of portfolio that generates substantial revenues. Equity investments in minority businesses do not accomplish that objective."* There are no current figures available on the debt-equity ratio of MESBIC investment, but unless there has been some improvement, a major goal of the MESBIC program will not be achieved.

There are other, very serious problems with MESBIC's. It is widely believed that MESBIC's capitalized at under one million dollars stand little or no chance of success. The pioneer MESBIC, a subsidiary of ARCATA International Corporation, San Francisco went under and many of the remaining companies are simply not meeting performance goals. Because undercapitalization is such a problem it may be worthwhile to allow any MESBIC with capitalization of over a million dollars to increase the ratio of leveraged funds from SBA, thus encouraging larger ventures. It may also be advisable to raise the minimum required for licensing to perhaps $500,000. Curiously the ARCATA MESBIC failed because, in the words of Walter Durham, head of MESBIC Financial Corporation in Dallas, "you don't make every loan that comes in the door and get yourself overextended so that you can't get back with that businessman if he has problems." Ideally, Durham believes that the MESBIC manager should steer between enthusiastically making too many loans and cautiously refusing to make the ones he should. Unfortunately, larger MESBIC's have been far more conservative in their lending policies than have smaller MESBIC's, whose tenuous position makes them least able to afford poor decisions. Many observers also believe that the MESBIC record (though providing jobs and capital to otherwise unqualified individuals) has been far from impressive considering the amount of money invested. Due to the short life of the program, figures are inconclusive but it seems clear that size and leveraging power is a key determinant of MESBIC success.

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*David Madway, "Minority Enterprise Financing--Mired or Moving?" Journal of Black Political Economy, Fall 1972.

OEO - Participation by OEO in the economic development field is now limited to the administration of the Special Impact (Title I-D) Program (SIP) which provides grants to Community Development Corporations, to test whether locally controlled community organizations in partnership with established business can produce effective economic development. CDC's are the minority-controlled investment companies, funded by OEO, whose main function is community development. They are not expected to make a profit. It was originally planned for these CDC's to undertake social service and cooperative functions as well as business development. These functions however, have often been non-existent. CDC's for the most part are simply operating business ventures within the community. Thus, CDC's role is primarily, at this point, providing equity capital to ghetto-based business. This is in contrast to the MESBIC program whose investment policies include, and indeed encourage, minority businesses to locate outside the ghetto in the business community at-large. CDC's, on the other hand, are conscious of their income and job-generating functions within the minority community. At the end of fiscal 1973, there were 36 CDC's funded, 18 urban and 18 rural, at a budget of $35 million. 30 CDC's evaluated at the end of fiscal 1972 had created 2,066 direct permanent jobs in both the CDC's themselves and CDC funded ventures, with 5,455 temporary jobs. The first jobs produced $10.2 million in wages, not a very high average per job. Nevertheless this represented an increase of $1.7 million from the wages the employees received prior to CDC employment. These 30 CDC's received a total of $34 million in administrative grants and have funded approximately 250 projects, of which 198 were business ventures. Although OEO stresses that SIP differs from other programs by virtue of its emphasis on community development, rather than aid for the individual entrepreneur, the above figures belie that aim to some extent.

OEO has not conducted a cost-effectiveness analysis, despite the fact that the program has cost $150 million over a 5-year period. OEO, however, did commission Abt Associates, Inc. of Cambridge, Mass. to evaluate the effectiveness of SIP. In the course of this evaluation Abt compared SIP and MESBIC's with interesting results, some of which bear out Madway's notion that MESBIC's are not all they are cracked up to be. For example, in debt-equity investment distribution SIP has provided 65 percent of its investment for equity as opposed to 13.3 percent for MESBIC's. However, 1/3 of MESBIC investment was combined debt-equity capital, so even the most optimistic estimate would put MESBIC's ratio at about 40 percent equity. It should be borne in mind that MESBIC's were created expressly to provide equity capital, while SIP's perform other functions, such as community development.

It also appears that SIP's are more future-oriented as well. While 42.9 percent of MESBIC investment is concentrated in the service sector, only 22 percent of SIP money was so invested. The average SIP investment per firm is $138,921, $44,235 and $50,792 in the manufacturing, retail and service sectors respectively. The average MESBIC investment in all sectors is $15,000. These figures, however, may be somewhat misleading.

When the MESBIC program began in 1969, it had quite a bit of trouble attracting funds, so the size of each MESBIC was quite small. The trend, however, has been to larger MESBIC's. Thus, larger investments may be expected in the future. In 1971, two years after the program was begun, there were 47 MESBIC's capitalized at $14 million, an average of about $300,000 per. As of June, 1973 there were 56 MESBIC's capitalized at an average of $384,000 per company. This means that the nine MESBIC's formed in the interim had an average capitalization of $834,000. As MESBIC's capitalized at over $500,000 can secure three times their worth from SBA, it is clear that the MESBIC program is becoming more popular with private enterprise and possibly more effective.

Curiously, MESBIC's have been more effective in the debt capital sector than has the SIP. Even the SBA/EOL program has had a lower failure rate in this area. Perhaps in response to this, OEO issued a memo in the fall of 1972 stating that CDC's should no longer sponsor small loan funds. Another area in which MESBIC's have been more effective is the all-important attraction of private funds. The MESBIC is explicitly structured to generate leverage by requiring private investment in the venture before it may apply to SBA for supplemental funds, while the CDC is not. Despite this, Abt considers SIP's failure in this area one of its chief drawbacks. "Program benefits could be increased substantially if a greater proportion of private-to-federal funds could be achieved. OEO's primary role should be to assist the CDC's in inducing the private sector to invest equity capital in community enterprises." The SIP private-to-public funding ratio has been .79, compared to 21.7 for MESBIC's.

As may have been noted, SIP places a much higher priority on funding larger concerns which employ more people and sell more goods. SIP ventures have more employees in every sector and sell more goods in every sector except agriculture, than any other minority venture. For example, SIP manufacturing ventures have an average workforce of 26 compared to 8 in the average minority-manufacturing company; in wholesale-retail 15 to 4; in services 8 to 4; and in construction 18 to 4. These figures also help to point out the limitations of the service sector for large-scale development of a poverty area. SIP seems to believe that manufacturing, as well as construction, represent potential high-growth areas in the future. However, it has discovered that manufacturing continues to be a major problem. In a survey of its ventures, SIP discovered that over a two-year period only about 15 percent of its manufacturing ventures were profitable, as compared with 50 percent in wholesale, 30 percent in retail, 35 percent in service, and between one and two-thirds in construction, for a total of about 25 percent of all funded ventures. Abt suggests that if manufacturing is to be a viable investment for CDC's, it is essential to increase linkages with outside firms, both to assure markets and to provide necessary technical assistance.

There is one private program that bears mention. The American Banking Association, aware of the increase in minority bank deposits and the difficulties that banks can have when an increase in deposits is not matched by increased equity and stability, has created the Minbanc Capital Corporation. This program provides non-voting equity capital to minority banks which need the additional capital for growth, thus enabling them to take a more aggressive lending policy. To date, more than 600 banks have invested more than $4.6 million in this program. Negotiations are underway which would provide an additional $2 million investment.

3. Management and Technical Assistance

Lack of managerial and technical expertise remains one of the key stumbling blocks to a successful program of minority economic development. Although this problem has been well known for some time, it is only recently that a concentrated effort has been made to improve needed skills by upgrading local delivery systems in order to increase the access of minority businessmen to such aid. This applies particularly to SBA, whose prime emphasis until quite recently was simply to fund all those whom it could without regard to success potential. This situation was decried by the House Small Business Committee when SBA's loan-loss ratio under its EOL program doubled, reaching 30 percent in fiscal 1972 versus a 4.65 percent failure rate on SBA loans in general.

Where: Lack of managerial and technical assistance manifests itself throughout the minority business community affecting large as well as small businesses. It is, of course, true that the small entrepreneur with little or no business experience may be more a victim than the larger businessman who has probably had some exposure to business practices. However, the larger businessman whose expertise is still somewhat limited may find that, although his mistakes are fewer, each has more serious consequences.

Response: OMBE - A solution to this problem has been one of OMBE's top priorities. Almost all of its programs contain some provision for managerial and technical assistance. The LBDO program as part of its loan packaging program, provides for this type of assistance.* To encourage private sector cooperation, OMBE had funded, as of August 1973, 20 Business Resource Centers (BRC), each of which was a pool of private sector experts instructed to identify opportunities and provide assistance as a link between LBDO's and the business community. OMBE projected funding for 50 of these centers at the end of fiscal 1973, which proved to be overly optimistic. Worse, this program has no teeth and is largely operated on a volunteer basis.

Business Management Development (BMD) organizations, 15 of which were funded by August 1973, is another program to provide technical assistance concerning capital, markets etc. through the LBDO's. The exact nature of this program is unclear, but it appears almost identical to BRC's, with emphasis on problems facing larger businessmen. Construction contracting by minorities is expected by OMBE to experience high growth in the 1970s. To meet the specific need for assistance in this area, OMBE has funded 16 Construction Contractor Assistance Centers (CCAC), as of August, 1973, in addition to requiring all LBDO's to give construction contractors priority. Again, projections have been optimistic, with OMBE planning on 23 of these centers by the end of fiscal 1973.

OMBE is also encouraging a kind of guild concept by funding Minority Business and Trade Associations (MB&TA), of which there were 21 in August, 1973. Their function is to organize a group of minority businesses or businessmen in the same trade in order to imporve the competitive position of its members. These include groups of CPA's, economists, liquor dealers and bankers, among others. In order to provide management and technical assistance to members of specific trades, OMBE has funded 17 (as of August 1973) Private Resource Centers (PRC) which act as a liaison between minority businessmen and national professional organizations. The above programs may suffer a similar difficulty--they are passive and advisory, and wait for the minority businessman to seek assistance. Unfortunately, as noted by such men as Arthur McZier, Associate SBA Administrator for Minority Enterprise, many minority businessmen are unwilling to admit a shortage of managerial and technical expertise, and thus refuse to seek out or utilize available services.

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*This and the following data comes from 1972 OMBE report and OMBE Funded Organizations August 1973, Department of Commerce, 1973.

SBA, as noted, has been accused of simply granting loans to anyone who applied and moving on to the next case. In other words there was no management assistance as part of their program. This, it was felt, was largely responsible for SBA's high failure rate on EOL loans, the House Small Business Committee charging "relaxed eligibility standards without proper management assistance." In response to this criticism, SBA has instituted some new practices in its minority loan program. SBA now requires potential borrowers to sign agreements that they will accept management assistance. Thirty-five management consulting organizations received more than $2.4 million for the first six months of 1972 for this purpose, while an additional $1.3 million was channeled to 13 firms during the remainder of 1972. This seems to be an improvement over OMBE's method of merely making assistance available. SBA is also encouraging more individual contact between borrowers and advisors, instead of having advisors simply available in assistance centers. Conferences are now sponsored by SBA for minority businessmen who are desirous of improving managerial skills. SBA claims that a minority borrower who attends one of these conferences will have much greater success potential than one who does not.

In the private sector, many firms are actually placing their own personnel in minority businesses to run certain departments for periods of time until the businessman is capable of efficiently running the operation himself.

4. Market Entry and Procurement

Despite continuing problems, there has been a great deal of progress in this area, especially in the public sector. Federal purchases from minority businesses increased from $13 billion in fiscal 1969 to $732 billion in fiscal 1973. There has been an encouraging decrease in the percentage of "channeled," non-competitive contracts (8 (a)--see below). Though procurement by the private sector lagged far behind, there are indications that things are improving here also, with the increasing emphasis on supplier operations by white business.

Despite the gains, market entry is often foreclosed by "rigidities" of existing purchasing patterns. Some of these "rigidities" include the unwillingness of firms to deal with minority businesses because of racial prejudice, the history of unreliability of many minority businesses or simply a non-racial cementing of purchasing patterns by sub-rosa payments between interested parties.

Where: Obviously, this problem shows up in minority businesses that are attempting to deal in the business community at-large, rather than those whose prime sales target lies within the ghetto or consists of other minority group members. It is likely that one reason for the preponderance of minority-oriented businesses in the top 100 minority businesses is this difficulty in securing outside markets.

Response: SBA - The most effective response to this problem has been engendered by the Section 8 (a) program, which permits SBA to channel government purchases to minority businesses by contracting with a Federal procurement agency for supplies and services and then, in effect, subcontracting with a minority firm to do the work. SBA also makes up the difference between the minority business's price and the price at which the contracting agency could have obtained the goods elsewhere.* In 1969 and 1970, when the drive to secure markets for minority firms was beginning, 8 (a) contracts made up over 70 percent of the total minority government contracts. While 8 (a) contracts have increased from $8.9 million in fiscal 1969 to $208 million in fiscal 1973, its share of the total has decreased to 27 percent, emphasizing the rapid increase in direct contracts, which have gone from $3.8 million in fiscal 1969 to $524 million in fiscal 1973.

Despite this glowing record, there have been problems with the 8 (a) program. First, this program accounts for only about one-tenth of one percent of total Federal procurement, with an average contract size of approximately $75,000. Previous years' figures were somewhat misleading because they were heavily weighted with low-skill, low-wage janitorial and other service contracts. SBA now discourages agencies from offering contracts of this type. The average manufacturing contract has resulted in the minority firm making no profits, and the profit rate on construction

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*Funds for this purpose totaled approximately $14 million in F73 of which only $6.6 million was actually spent.

8 (a) contracts is close to zero. Minority businessmen have also had serious complaints about the administration of this program. In addition to low profitability, SBA has often been unable to match requests to contracts. There have been delays in both procurement and payment, the average lag being 45 to 60 days. As many minority businesses have low cash flow and little credit, this delay can be an excessive burden and may conceivably result in default. A similar time lag in payments puts even more pressure on minority contractors.

These deficiencies, however, do not detract from the impressive figures of the program's first five years. It seems, however, that administrative streamlining of both SBA and OMBE would increase the efficiency of the program. Presently SBA must act as an intermediary between the government agency and the minority contractor. However, the size of minority procurement in fiscal 1972 and 1973 indicates that perhaps it is time to allow the agencies themselves to directly engage in contracts with minority businessmen. While it is true that in many cases SBA assistance will still be required to match availability of contracts and the ability of a minority firm to satisfy these contracts, it seems likely that in many other cases the government agency itself is as knowledgeable as SBA and has developed sufficient expertise to proceed on its own without SBA's participation.

Another area in which streamlining would be welcome is in the subsidies given to minority contractors. Here again it may be beneficial to eliminate SBA from this role and transfer it to the procuring agencies themselves. Eligible minority firms would then apply to the contracting agency, who would have announced previously that this contract would be subsidized. Subsidies themselves would be funded by monies earmarked specifically for this purpose, now given only to SBA.

It would be beneficial to have the minority businessmen dealing directly with government procurers whenever possible in order to streamline administrative procedures and establish a more businesslike footing between the two parties, which would encourage more extensive dealings between them in the future. It would also be beneficial to greatly decrease the time lag between procurement and payment. Forty-five to 60 days is far too long. Surely there is some method by which this delay could be cut by two-thirds to three-quarters.

This direct approach might prove disastrous for some minority contractors, for whom reliance on SBA was a necessity. However, the thrust of the program thus far has been to provide sheltered markets for minority businessmen, which is not of course the ultimate goal.

During 1972 SBA organized the Minority Vendors Program, in which 400 top corporations attempted to match their own procurement needs with the capabilities of minority businesses, in addition to providing technical assistance to those minority firms who desired but were unable to meet the needs of larger corporations. Though there have been no figures on this program as yet, it is clear that a major effort is needed in private sector procurement if permanent improvement is to be attained for minority contractors.

OMBE has moved toward this end by creating the National Minority Purchasing Council. The Council, comprised of 16 members of major corporations has, at latest word, not gone past the planning stage. Nevertheless, there are indications, quite inconclusive, that this program may have a major impact, as it is being implemented at the same time that much of private industry is itself moving to upgrade supplier operations.

5. Short-term Credit

Many minority businessmen have found that even after they have secured funding to set their business in motion, they lack sufficient short-term credit to carry them through cash-flow shortages, especially if their business is seasonal.

Where: While this problem affects all minority entrepreneurs, it appears more frequently in larger concerns, and particularly in areas such as construction contracting.

Response: SBA has two programs that are of help in this area. The first, the Line of Credit Program, provides up to $350,000, which is guaranteed to 90 percent for one year, with the possibility of extension for an additional year. This program is available to building contractors and manufacturers, but is widely underutilized. In fiscal 1972, SBA was only able to guarantee lines of credit for a total of $7.7 million. OMBE is concentrating efforts to improve access to and delivery of this service. The second is the Lease Guarantee program designed to assist small businessmen to obtain space in prime commercial or industrial locations not normally available to applicants with low credit ratings. The Lease Guarantee is an insurance policy issued to the businessman which guarantees payments to landlords for up to twenty years. This program is available to all small businessmen, but SBA is attempting to increase its availability to minority candidates.

6. Lack of Sufficient Resources

Even after obtaining initial financing, many minority businesses find that they lack sufficient resources to become profitable and self-sustaining.

Where: This problem often appears in larger ventures and is often the reason that a venture which looked good on paper ultimately fails after a year or two of operation.

Response: SBA funds Local Development Companies (502 Loans) (LDC) either on a profit or non-profit basis to provide long-term financing to businesses in a poverty area. Like CDC's, LDC's are community-oriented, but possibly not to the same degree. LDC's usually have 25 percent local ownership provided by community residents who usually put up at least 20 percent of the cost of any project. Individual loans from LDC's range up to $350,000 and can be applied toward the purchase of land, machinery and equipment for constructing, modernizing or expanding buildings. They may not be used for working capital or refinancing. Only 203 loans, amounting to $20.6 million, were made in F73, indicating that this program is underutilized.

7. Insurance Costs

These are often prohibitively high, sometimes precluding the establishment of a business. This is one problem area where very little is being done relative to the size of the problem. Neither OMBE nor SBA had any specific programs applying to insurance as far as could be determined.

Where: This problem affects businesses of all sizes that are actually located within the poverty area.

Response: OEO through the Opportunity Funding Corporation (OFC) attempts to reinsure the sale of insurance to inner-city merchants and provide surety bonds to minority contractors. SBA, however, has recently instituted a surety bond program of its own, and OFC has indicated a curtailment of this function.

II. RURAL SECTOR

A discussion of rural economic development should be separate from considerations of the urban problem. When discussing urban development, the target group is usually a minority group. While many urban poor are not members of minority groups, it is possible to assume that the two groups are congruent. But in the case of rural development, a high percentage of the target group is non-minority. Basically this means that the data base used in the first section is inapplicable here. Further, many of the problems of urban development are not common to the rural sector. Thus a study of rural development could be undertaken independently. Unfortunately, it has been quite difficult to obtain even the most rudimentary figures on this phase of the economic development effort.

As noted, EDA is primarily responsible for promoting economic development of non-urban areas, although OEO has also concentrated to some extent on this area.

During Fiscal Year 1972, some EDA funds were used for urban development. Specified areas considered to be particularly troublesome were granted EDA support. These included the stockyard area in Chicago, the South Bronx in New York, the Brooklyn Navy Yard and certain New England communities, but this represented just a small part of EDA funds. The two major programs that account for approximately 90 percent of EDA's total obligations are Business Development Loans and Public Works Grants and Loans. The remainder is in large part made up of technical assistance and planning grants given by EDA to agencies which it feels can spur economic development in targeted areas.

Business Development loans provide low interest, long-term loans to help businesses located in officially designated redevelopment areas expand or establish plans for projects that cannot be financed through regular private lending institutions. These come in two types. Direct business development loans, providing up to 65 percent of the cost of fixed assets, may be used only to acquire land, buildings, machinery and other fixed assets for new facilities or the expansion of existing ones. Guaranteed working capital loans, which work on the same 90 percent guarantee as SBA equal opportunity loans, may not be used to acquire fixed assets. A total of $45.5 million was approved for 44 business development loans in 1972. In addition 4.4 million dollars was reserved for collateral protection and guarantees of associated working capital loans to EDA borrowers. While an impressive figure, it is actually down from the $45.7 million approved through business development loans in Fiscal 1971. That was the highest figure since EDA's inception in 1966 and an increase of over 18 million dollars from the previous year. It is apparent from the small number of loans that EDA favors large projects rather than the small business development loans of the SBA and OMBE. The agency obviously feels that by supplying sufficient capital to fewer projects greater long-term impact can be fostered.

There have, however, been delays in disbursement, often lasting for years. For example, $9 million obligated in 1966 were not disbursed until 1968, and fully $27 million of the $47 million obligated in Fiscal 1970 were undisbursed by the end of Fiscal 1971. Over 25 percent of the total obligations of EDA from inception to the end of Fiscal 1970 remained undisbursed at the end of Fiscal 1971.

The Public Works program provides "grants and loans to states, cities, Indian tribes and non-profit development companies to stimulate the construction of public facilities in areas where economic growth is lagging behind the rest of the nation. Qualified projects must fill pressing needs of the area and must (1) improve the opportunities for establishment or expansion of industrial or commercial facilities, or (2) otherwise assist in creating additional long-term employment opportunities, or to "further the objectives of the Economic Opportunity Act of 1964." These grants, EDA points out, are not limited to members of minority groups but "it can be expected that a substantial number of them will involve minority enterprises." EDA also provides technical assistance similar to that done by SBA. In Fiscal 1972, $189 million was approved for 472 public works projects. Included in these expenditures was $47.6 million for 203 public works improvement projects in 49 states, Washington, D.C., Puerto Rico and American Samoa.

EDA has many criteria for selecting areas to participate in the public works and business development programs of which there were 1,729 as of July 1, 1972 (see Table 1). Of these, 1,348 were redevelopment areas qualified only for public works grants. Technical assistance was available to any area in the country in which the resources and information available to the agency could be put to use in order to stimulate economic growth. In 1972 the agency's eligibility standards were expanded to include those areas where the percentage of the working population had declined during the 1960s.

EDA works on a cross-county approach. It does not provide funds to a specific single county for improvements, but to an entire area

Table 1

POPULATION OF QUALIFIED AREAS
By Designation Criteria

Basis of Qualification	June 30, 1971[1] No. of Areas	June 30, 1971[1] Pop.[2] (000)	July 1, 1971[1] No. of Areas	July 1, 1971[1] Pop.[2] (000)	June 30, 1972[1] No. of Areas	June 30, 1972[1] Pop.[2] (000)	July 1, 1972[1] No. of Areas	July 1, 1972[1] Pop.[2] (000)
Total, all qualified areas	1,214	45,583.8	1,214	45,583.3	1,729	93,938.0	1,729	93,938.0
Title I								
102(a) Substantial unemployment	179	16,520.9	179	16,520.9	381	52,568.3	381	52,568.3
Title IV								
401(a) (1) Persistent unemployment	482	15,298.6	482	15,298.6	502	16,203.9	502	16,203.9
401(a) (1) Population loss[3]	152	2,363.3	152	2,363.3	152	2,363.3	152	2,363.3
401(a) (2) Median family income[3]	205	2,653.7	205	2,653.7	335	4,922.0	335	4,922.0
401(a) (3) Indian reservations	118	414.5	118	414.5	124	333.1	124	333.1
401(a) (4) Sudden rise in unemployment	62	5,336.5	62	5,336.5	83	5,524.8	83	5,524.8
401(a) (6) Special impact areas	4	800.0	4	800.0	9	2,000.0	9	2,000.0
401(a) (7) Per capita employment[4]					131	7,826.3	131	7,826.3
401(d) One redevelopment area per State	12	2,196.3	12	2,196.3	12	2,196.3	12	2,196.3

[1] Data for June 30, 1971, and July 1, 1971, are identical because the August 5, 1971, amendments to the Public Works and Economic Development Act of 1965 prohibited any terminations. Data for June 30, 1972, and July 1, 1972, are identical because the Code of Federal Regulations has been amended to provide for an annual review of designated areas prior to September 15 of each year and terminating the designated status of areas no longer qualified upon 30 days notice and prior to October 15 of each year.

[2] Data based on 1970 census.

[3] Includes areas qualifying both on this basis and on basis of persistent unemployment. All of these areas now qualify under Section 401(a)(6) of the Act, which enabled areas to qualify if their median family incomes were no more than 50 percent of the national median family income instead of the previous 40-percent standard. They have been placed under Section 401(a)(1) again this year to facilitate understanding of the table.

[4] Includes areas that also qualify under Title I of the Act.

that may include more than one county if, in EDA's opinion, this will greater stimulate the development of the area. Under this approach, counties are encouraged to pool their talents and natural assets in long-range plans to stimulate economic growth and create jobs. Redevelopment areas of this type are officially designated growth centers. There were 116 districts and 232 growth centers in 41 states during Fiscal 1972. Of these, eight districts and 20 growth centers were designated in the fiscal year. Project examples include a convention center to be constructed in Pine Bluff, Arkansas and a new motel in Little Rock. Amsterdam, New York enlarged its water system to serve industry, and Marquette, Michigan constructed an ice arena with use of EDA grants.

It can be readily seen that EDA's approach is not greatly concerned with business problems as such, much less minority business problems. EDA is quite varied and will fund any project that it feels will promote long-term economic growth of an area. There is much more of a public works and public institutions emphasis here than with the agencies previously discussed. While all EDA projects are supposed to employ local talent and supply local employment, the institutional approach is much more public than in previous cases.

In the case of EDA, as with many other economic developmental agencies, the relative newness of the programs mitigates against making informed conclusions about their effectiveness or lack of it. EDA is one of the older agencies; it has only been in operation since 1966 and has only been really functioning since 1967. Also, data received from EDA are very sketchy as to the degree of success that has been attained.

Apparently EDA feels that the problems of rural development are basic and that cost-benefit analysis applied to the early phases of the program would only result in unfavorable judgments.

III. CONCLUSIONS

Because the OMBE 1973 Report, the SBA 1973 Report, and the 1974 Census of Minority Businesses are not available as of this writing, it is impossible to make either final evaluations of various programs or recommendations on ways to improve the overall minority economic development effort. Nevertheless, it is possible to draw certain preliminary conclusions based on materials now available.

1. Perhaps the most impressive set of figures in the entire minority business enterprise picture are those for both direct and 8 (a) procurement. As most small businesses fail within the first two or three years of their operation, it is crucial, especially in the area of minority business where problems are magnified, to guarantee markets during that critical period. While SBA's 8 (a) program has been impressive, a general streamlining seems to be necessary to further increase effectiveness. We cannot, of course, expect minority firms or contractors to become competitive in the general marketplace simply by fulfilling government contracts. It is mandatory that a similar effort be made in the private sector to insure continued markets for minority business and participation within the general economic system rather than simply a subsidized portion of it. The rate of increase in direct procurement by government agencies indicates that perhaps some minority contractors are sufficiently qualified to handle more than their present insignificant portion of private industry procurement. Obviously, supplying capital, management and technical expertise and other services will not improve the position of minority business if markets are not available,

and it is equally obvious that these markets must be guaranteed for the majority of minority owned firms for the first two or three years of their existence. It should be the goal, however, of any subsidized or guaranteed market program for minority business to make this period as short as possible, thus allowing the minority contractor to compete, unaided, in the shortest possible time.

2. Both the MESBIC and SIP programs show great promise but have been major disappointments thus far. MESBIC's are not fulfilling their main function, which is to increase the supply of equity capital, while individual MESBIC's are either sitting on the capital or over-extending themselves. It seems clear that the size of the average MESBIC must be increased if it is to have a chance of meeting its goals. Government must, therefore, act to provide incentives for larger MESBIC's through the availability of a higher ratio of leverage funds for MESBIC's capitalized over a certain amount, perhaps one million dollars. Smaller MESBIC's should be discouraged, and the floor on the minimum capitalization should be raised.

SIP has also demonstrated a potential for making major contributions to the development of poverty areas. Its takeover by OMBE, expected within a few months, should greatly aid this program since OMBE, the major coordinator of the minority business effort, should be able to give the SIPs the benefit of the expertise gained from 5 years of dealing exclusively in the MBE field, as well as improve its communications with other areas of the minority business effort.

3. SBA, through its direct loan and loan guarantee programs, has provided large amounts of capital to minority entrepreneurs who would

otherwise be unable to obtain it. The move toward greater selectivity by SBA, intended to lower the loan-failure rate below the current 30 percent would seem to be ill advised. Those minority entrepreneurs who lack sufficient background and credit to obtain funds should still have the opportunity to try their hand at business, even if they fail. A 30 percent failure rate still means that the government gets back seven dollars for every ten it invests. This does not make it the least efficient government program on the books, and the benefits that accrue from allowing this 30 percent failure rate seem to override the costs. It is entirely possible that once minority business progresses beyond a certain embryonic period the failure rate will go down as business expertise becomes more second nature within the minority community. SBA should, however, continue to step up its plan for integrating Equal Opportunity Loans with a general loan package, wherein the minority entrepreneur is supplied with not just funds, but management and technical expertise, equity capital and bonding if required, and other essential services, without which his venture would be doomed to failure. As SBA has found out, it is not enough simply to offer these services, but it is necessary to make them mandatory, as many minority entrepreneurs will not admit to a need for them.

4. The reorganization of OMBE to give it a more decentralized operation is certainly a step in the right direction. A further reorganization of agencies working within the minority business effort may be desirable, though without reports from the various agencies for the past year it is difficult to tell. It does seem advisable to shift the SIP Program from OEO to OMBE and entirely eliminate OEO from the minority business enterprise effort.

ECONOMIC DEVELOPMENT PROGRAMS

"The Rural Development Insurance Fund: Another Evaluation-free 'Anti-poverty' Program"

by

Peter Karsten

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THE RURAL DEVELOPMENT INSURANCE FUND: ANOTHER EVALUATION-FREE "ANTI-POVERTY" PROGRAM

The Rural Development Act of 1972 virtually took the Department of Commerce's Economic Development Authority (with its affiliated Regional Development Commissions) out of the business of rural development. For several years since the Area Development Act of 1963 and the Public Works and Economic Development Act of 1965 EDA had been helping to develop the infrastructure for business and industry in rural as well as urban areas. A total of 2.1 billion dollars had been obligated for public works, business development, planning, and technical assistance by 1973. EDA obligated 174 million for such activities in 1973. But only a small fraction of the 1973 obligations or expenditures were for rural projects. EDA's Rural Development Service continued to study rural trends[*] and to operate several rural leadership training centers (comparable to the Model Cities centers in their ombudsman and proposal-drafting capabilities). But over 160 million of the 174 million of EDA monies went to urban economic development projects. EDA (and OMBE, which helped minority businesses obtain 201 million in loans in 1973) were essentially oriented towards the cities. The Rural Development Act of 1972 gave the Farmer's Home Administration of the Department of Agriculture the primary task of relieving unemployment and underemployment in rural areas (and thus arresting the flow of rural-urban migration which was a matter of some concern to some Congressmen).[*]

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[*] Thus one 1973 EDA Rural Development Service pointed out that, despite the FHA loans of the 1960s and '70s, rural areas had 68 percent of all U.S. occupied housing which lacked plumbing.

The FHA is, of course, in the business of helping farmers too. In 1973, for example, it guaranteed some 3.3 billion in loans for farms, rural home improvements, community water and waste disposal systems, and land and water conservation projects.

But the FHA, like the Department of Agriculture as a whole, has never been oriented towards the low-income farmer.[**] In 1968, the President's Commission on Rural Poverty recommended a combination of wage subsidies, rural-targeted educational manpower development and training programs, and "growth center" (urban) development. The Commission specifically warned against economic development schemes designed to locate businesses in sparsely-settled areas without a concurrent strategy designed to foster the rise of a "growth center" in the area.[***] Congress ignored the warning. The Rural Development Act of 1972 created a Rural Development Insurance Fund, operated since December, 1973 (when funds first became available), by the Business and Industrial Loan Division of the Farmer's Home Administration. This Fund, targeted (however inadequately) on the low-income, rural, non-farm population, was to provide direct loans, or to guarantee up to 90 percent of privately-arranged loans for business, industrial, or infrastructural development in communities with populations of 50,000 or less.* Over 98 percent of all funds obligated to date (since December, 1973) have been in the form of guarantees, the underwriting of privately-arranged loans. In 1974 the entire initial authorization, 200 million, was obligated in the first six months of the program, despite the high interest rates banks were charging at that time. Some 350 million are in the process of being obligated this year.

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[*] See U.S. Stats. at Large, vol. 86 (1972), 657 ff. and Congressional Record (July 27, 1972), 24837 for remarks in support of the bill by Rep. Sikes of Florida: "the reversal of the flood of migration [of rural persons who end up] in slums, on welfare, or in crime."

[**] See, for example, Grant McConnell, The Decline of Agrarian Democracy (N.Y., 1952).

[***] Rural Poverty in the U.S.: Report of the President's Commission on Rural Poverty (G.P.O., 1968), 137.

Most (87.5%) of the loans guaranteed have been arranged by the firms borrowing at small rural commercial banks, which would indicate that local rural investors see the guarantees as great opportunities to reduce risks, and have chosen to involve themselves heavily in the guarantee program. The average loan is one of about $500,000.00. Of about 400 such loans to date only 3 are in default. Darryl Evans of the Business and Industrial Loan Division estimates that some 26,000 jobs have been supported by these loans, and that of these some 13,000 jobs are entirely new ones.** Some 35 percent of these jobs are in manufacturing (processing, textiles, auto appliances, etc.), another 24 percent in retail and wholesale trades, and some 17 percent are in services. (I could not classify the others.) Thus we can estimate the impact of the loan guarantee program on the U.S. rural economy. If we use a job multiplier factor of 2, and assume family size to be 4, and if we allow for some 20,000 jobs as being either created or saved by the first 200 million of the guaranteed loan program, we can estimate that some 160,000 persons were affected favorably by the first 200 million obligated, or a rate of 80,000 per million. Assuming an annual authorization of about 300 million, we may estimate that about 2 to 3 million persons would be favorably affected by the program in its first decade.

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*Only communities with 10,000 or less are eligible for direct loans for community facilities.

**It should be noted that the Department of Labor must approve all loan guarantees, to insure that none are being offered for loans to firms which are simply shifting a plant away from a high-wage unionized region or to firms that plan expansion in already overloaded and distressed markets (such as shoemaking).

But there are obvious problems with my estimates. In the first place, the Business and Industry Division has made no effort to require, or even to request, information that would enable them to determine the degree to which such development has made a difference to the poor and near-poor. Hence we do not know how many jobs are going to unemployed or underemployed from the area, and how many are going to workers from other areas (a la the EDA's Oakland, Calif. project). Surely there would be "trickle-down" benefits somewhere if skilled or semi-skilled workers are leaving jobs to take these new ones. But the point is that no one in Agriculture is asking for "effectiveness" data that would enable us to estimate the program's impact on either the low-income, rural population or rural-urban migration patterns.

In the second place, we do not know how many of the lenders would have extended the credit had it not been for the loan guarantee. Tom Hucks, the Business and Industry Division official assigned to oversee South Carolina loan guarantees, told me of one small commercial bank that would not have been able to make one $200,000 loan because of its exposure limitations had it not been for the loan guarantee. Certainly it is true that a number of German and Japanese firms anxious to set up shop in the rural U.S. have obtained these federally guaranteed loans. But we know too little of the differences in lending patterns before and after the Fund's creation.*

To gain some judgment of the impact of this Fund it would be necessary for the President to direct the EDA's Rural Development Service to ask some effectiveness questions. Median income, migration rates, and unemployment rates of all counties could be compared before and after loan guarantees, weighed for dollars obligated per county. Information could be requested of loan guarantee recipients concerning the previous work status and income of employees. Evidence of "multiplier" jobs, wage subsidies, MDTA recipients and the like could be folded in. We should have some measure of how well this Fund is accomplishing its objective, but, as usual, we do not.

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*One variable which does seem to matter to borrowers and lenders alike is the existence of a viable technical training center in the area. Thus one of the 1968 President's Commission recommendations seems to have made sense.

THE WORK FORCE

"Age and Sex Distribution of the U.S. Workforce, 1900-1970"

by

Jane Newitt

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AGE AND SEX DISTRIBUTION OF THE U.S. WORKFORCE, 1900-1970

Between 1900 and 1970, the U.S. population ages 10 and over increased from 58 million to 166 million, but the percentage of this population* that was employed remained nearly constant: 50 percent in 1900, 48 percent in 1970.

This paper describes the major changes in the sex and age distribution of employment that have, by some strange alchemy, roughly balanced out during this 70-year period. Two types of change will be discussed: the various age/sex groups as a percentage of total employed, and the employed as a percentage of the age/sex groups. Where relevant, changes in the age distribution of the whole population (ages 10 and over) are also mentioned.

I want to warn the reader in advance that the use of several types of percentages sometimes yields peculiar results. For example, all of the following are true:

--People 65 and older comprised 4 percent of the workforce in 1900, and 4 percent in 1970;

--Nine percent of women 65 and older were employed in 1900, and 9.5 percent in 1970;

--Women were 12 percent of the employed, ages 65 and older, in 1900, and 35.5 percent in 1970.

These percentages are compatible because of the very great reduction in employment among elderly men, reinforced by a change in the male-female ratio among the elderly from 50-50 to 42-58. Other apparent errors are explained by changing birthrates. Thus, percent employed among 25-44 year olds increased from 59 percent to 67 percent between 1950 and 1970, but the percent of the workforce that was ages 25-44 declined from 48 percent to 41 percent.

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*Except where age group is specified, percentage of the population refers to the population ages 10 and over throughout the paper.

Clearly, it is important to consider several kinds of data in order to talk intelligently about trends in employment. These data, for all of the census years, 1900-1970, excepting 1910, are presented in a table following the text.

Overview

Three major changes have occurred: a delay in the age at which young people enter the workforce; a great increase in the percentage of women who work, especially between the ages of 25 and 64, combined with a moderate decrease in male employment at these ages; and a great decline in the percentage of elderly men who are employed (from 68 percent to 24 percent). Overall, the sex distribution of the workforce has changed from 82 percent male to 62 percent male.

In order to appreciate the changes in age characteristics of employment, it is helpful to relate the percentage of the workforce accounted for by the various age groups to their percentage of the population 10 and over in the same year. The following table presents this ratio. For no group in any year did percentage of employed precisely coincide with percentage of population (1.00). Neither was any group ever 50 percent more likely to be employed than its proportion of the population would predict (1.50). Only in 1970 does any group reach 1.40. On the other hand, the constant percentage of the workforce that is elderly--4 percent--becomes a precipitous decline when shown as a ratio to the elderly percentage of population, while the ratio for the youth group does not

RATIO OF % OF WORKFORCE TO % OF POPULATION 10 AND OVER FOR MAJOR AGE GROUPS

AGE	1900	1920	1930	1940	1950	1960	1970
10-24	.80	.74	.69	.63	.67	.59	.62
25-44	1.16	1.21	1.24	1.33	1.24	1.36	1.41
45-64	1.11	1.14	1.14	1.17	1.20	1.31	1.40
65+	.80	.67	.64	.50	.50	.38	.33

show a pattern of decline during the past thirty years, although employment has obviously become concentrated at ages 16 and over.

When applied to the changing sex characteristics of employment, this type of analysis--in the form of a ratio of male percentage of employment to male percentage of population by age groups--conveys a somewhat more conservative impression of change than figures that are not weighted to reflect changing sex ratios in the population at large. To some extent, rising percentages of women in the workforce are accounted for by declining percentages of men in the population 25 and over. Comparing 1900 and 1970, the male percent of population has declined as follows: for 25-44 year olds, from 52 percent to 49 percent; for 45-64 year olds, from 53 to 48 percent; for 65 and older, from 50 percent to 42 percent. These decreases reflect greater increases in life expectancy for women, and also the preponderance of males among immigrants in the late 19th century.

A ratio which takes these changes into account, and indicates the greater likelihood of males than females to be employed, understates the actual impact of female employment on the workforce but seems worth presenting with this cautionary note:

RATIO OF MALE % OF EMPLOYMENT TO MALE % OF POPULATION 10 AND OVER FOR MAJOR AGE GROUPS

AGE	1900	1920	1930	1940	1950	1960	1970
10-24	1.44	1.36	1.32	1.30	1.28	1.28	1.16
25-44	1.65	1.61	1.60	1.50	1.44	1.43	1.33
45-64	1.68	1.52*	1.54	1.61	1.50	1.37	1.31
65+	1.76	1.69	1.76	1.78	1.75	1.58	1.55

*Male percentage of population these ages peaked at 54%. For other age groups, the peak was 1900 or 1910.

Workers under age 25

In 1900, 18 percent of 10-15 year olds were employed, including 26 percent of males and 10 percent of females. These percentages dropped to 17 percent for males and 6 percent for females by 1920. By 1930, 4.7 percent of Americans under age 16 were employed, and these comprised only 1.4 percent of the total workforce.

Among Americans ages 16-24, the counter-trends of males and females have produced a modest net decrease in employment during the past 70 years. The figures for 1970 in the table below combine data from separate sources for civilian and military employment. Some percentage of the 1.2 million 16-24 year old males who were in the armed services in 1970 would otherwise have been in school rather than employed. Therefore, I mention that the male figure for civilian employment alone in 1970 is 51 percent of the 16-24 age group, which would bring down the average for both sexes to 47 percent (see chart on following page). It is interesting to note that nearly a third of females in this age group were employed in 1900.

PERCENT EMPLOYED AMONG 16-24 YEAR OLDS

	TOTAL (%)	MALE (%)	FEMALE (%)
1900	56	84	32
1930	55	74	37
1970*	51	58	43

*Includes a small number of employed 14 and 15 year olds.

Combining the data for 10-15 and 16-24 year olds, we have about a 34 percent decline between 1900 and 1970 in the percentage of the workforce that is under age 25 (from 32 percent to 21 percent). Some of this change is related to the changing age distribution of the total population 10 and over, rather than to the protraction of education. The sensitivity of youth employment to the size of the youth group may be illustrated by including 1950 youth data (the "Depression babies") in the comparison:

	1900 (%)	1950 (%)	1970 (%)
Ages 10-24 as % of pop. 10 and over	40	27	34
Ages 10-24 as % of total employed	32	18	21
% employed among 10-24 year olds	41	31	29
% male/female	59/23	39/22	34/25

Thus, over the past 20 years, the percentage of Americans under age 25 who are employed has declined but the under-25s have become a slightly larger percentage of the workforce. This resurgence reflects the post-war baby boom, and suggests that the under-25 percentage of the workforce will decline well below 18 percent by the late 1980s even if the employment rate of the under-25s holds constant, as a function of recent birthrate declines and of the middle-aging of the "baby boom" generation.

Workers ages 65 and older

The elderly were 5 percent of our population ages 10 and over in 1900, and 12 percent in 1970. Fifty percent of the elderly were male in 1900, compared to 42 percent seventy years later.

If it is somewhat surprising that the percentage of the population 10 and over who are employed has changed very little since 1900, it is even more surprising to note that the elderly have comprised 4 percent of the workforce almost constantly throughout this period. Despite a relatively constant rate of employment of elderly women, the change in the sex ratio among the elderly and the precipitous decline in employment of elderly men have operated to increase the female percentage of the employed, ages 65 and older, from 12 percent to 35.5 percent. In 1970, women in this age group accounted for 1.1 million of a total female workforce of 29.2 million.

Percent employed among elderly males has decreased in the following pattern for the decennial census years surveyed: 1900--68 percent; 1920--60 percent; 1930--58 percent; 1940--38 percent; 1950--39 percent; 1960--28 percent; and 1970--24 percent. The hypothesis suggested by this pattern is that the institution of Social Security and the liberalization of its benefits have played a major role in reducing the labor supply of men 65 and older. Since further benefit improvements since 1970 have considerably outpaced the rate of inflation (and now have an automatic cost-of-living adjustment), further declines in employment among the elderly may now be occurring. The nationalization, in 1974, of the federal-state public assistance program for the elderly poor (Supplemental Security Income--SSI) may be an even more important factor perpetuating the long-term trend, since it greatly improves the payments to the elderly poor in the poorer states, many of whom may, in 1970, have been working out of sheer necessity. By contrast, employment among the elderly who are eligible for Social Security payments includes a "hardcore" of self-employed and salaried people who continue to work by preference so long as they can produce, or, at least, to a considerably later age than 65. Nonetheless, the array of pension reforms and liberalizations that has occurred since 1970 suggests that the combined employment figure for the elderly in that year--15.4 percent--may well dip to 12 percent or below by 1980.

Workers ages 25-44 and 45-64

Like the 10-24 age group, the 25-44 year olds were a smaller proportion of the population ages 10 and over in 1970 than in 1900 (29 percent versus 37 percent). Again this reflects birth rate variation, with the "Depression babies" a significant enough factor to depress the percentage of employed accounted for by the 25-44's in 1970:

	1900 (%)	1950 (%)	1970 (%)
Ages 25-44 as % of pop. 10 & over	37	37	29
Ages 25-44 as % of total employed	43	48	41
% employed among 25-44 year olds	59	59	67
% male/female	96/18	86/32	89/45

Males

Note that the percentage of employed males in this age group seem to have reversed its downward trend. This reversal or stabilization also appears for the 45-64 year old males. However, it may be wrong to speak of a "downward trend" at all for these age groups. Note the actual pattern of change in percent of males employed:

AGE	1900	1920	1930	1940	1950	1960	1970
25-44	96%	97%	97%	88%	86%	91%	89%
45-64	93%	94%	94%	81%	83%	85%	84%

In contrast to the older and younger age groups, there is no change before 1930. The 1940 figures, which include 1.4 million men of these ages who were in "public emergency employment" as well as the civilian and military workforce, clearly represent not a trend but a catastrophic break with the past, which, together with the derangement of the economy by World War II, produced a permanent change in the labor supply of adult males, although the younger group in particular showed an upswing during the Fifties.

While changes within age groups were not analyzed for this survey, an exception was made for males 60-64 for the post-war decades. As expected, a trend toward early retirement was found in the most recent decade. Percent employed among 60-64 year old males was 79 percent in 1950, 78 percent in 1960, and 73 percent in 1970. No such trend has yet developed for males 55-59.

Females

TRENDS IN EMPLOYMENT OF WOMEN, AGES 25-44 AND 45-64

	1900	1920	1930	1940	1950	1960	1970
Women as % of pop.							
25-44	48%	49%	50%	50%	50%	51%	51%
45-64	48%	46%	48%	49%	50%	51%	52%
Female % of workers							
25-44	14%	18%	20%	25%	28%	30%	35%
45-64	12%	18%	15%	18%	25%	33%	37%
% of women employed							
25-44	18%	22%	25%	28%	32%	37%	45%
45-64	14%	17%	19%	18%	28%	40%	46%

As the table shows, the tendency to be employed of women in these two age groups has followed somewhat different patterns. The younger group shows a relatively steady trend throughout the period. The older rather abruptly takes off during the 1940s. Both show exceptional gains during the 1960s.

The table contains one surprise, at least for me. A comparison of the 1930 and 1940 columns indicates that the female percent of workers increased for both age groups during the Depression decade. The percent of women in these age groups who were employed increased slightly for the younger and more or less held its own for the older. By contrast, the percent of males who were employed dropped from 97 percent to 88 percent for the 25-44's, and from 94 percent to 81 percent for the 45-64's, between 1930 and 1940. These differences run counter to the impression conveyed by the literature on the Depression, which cites many measures to substitute male for female labor, even mentioning support for such measures by feminist leaders. However, the census data suggests that, if there were setbacks to female employment, their effect by the end of the Thirties would have to be described for the younger group as retarding the rate of increase; for the older, as perpetuating a plateau.

Similarly, a comparison of 1940 and 1950, while it does not show wartime levels of female employment, questions the thesis that post-war employment policies penalized women relative to men. The male/female percentages employed were 88 percent/28 percent for the 25-44's in 1940; they were 86 percent/32 percent in 1950. For the 45-64's, the comparable figures are 81 percent/18 percent and 83 percent/28 percent. For the males, the 1950 figures exclude military employment of about 500,000 men, presumably mostly in the younger group. This is not sufficient to raise the male percentage by more than two points, if wholly assigned to the younger group. Thus it seems that economic forces were operating to counter political-cultural forces in both the Thirties and the late Forties. My guess would be that the dominant factors were (1) an earlier shift in cultural perceptions, reclassifying many clerical and secretarial jobs from "male" to "female"; (2) Depression- and war-caused disproportionate increase in such jobs, especially in government; and (3) willingness of women to accept lower wages than men.

Analysis of occupational changes would be helpful to clarify this point, but such analysis is inadequate to explain the different behavior of the younger and older female groups since 1940. The post-Depression take-off in employment of older women suggests a cultural shift in the direction of regarding paid employment as the norm for married women whose children are no longer young enough to require a great deal of mothering. The lesser (but recently accelerating) rate of increase in employment of females 24-44 can also be related to this shift and, in this connection, to the declining birth rate of the Sixties. However, reduced family size does not itself seem a major factor. Indeed, if we take the mid-section of the combined 25-44 and 45-64 age groups in 1970, we have the entire group whose low employment rate (if it existed) would be explained on the ground of high fertility. That is, ever-married women ages 30-49 in 1970 had borne an average of 2.98 children, compared to 2.57 for such women that age in 1960 and 2.29 in 1950. Even the ever-married women ages 25-29 had averaged 2.8 babies by 1970, compared to 2.6 in 1960.*

If having few children is a reason why women 25 and older take jobs, this behavior will become more significant in the 1970s. For the 1950-1970 period, one would have to reverse the hypothesis and say that more women took jobs because of increased family size. This is not implausible, especially for the large family with children of (or approaching) college age. If we piece together the 1950s, when many older women who bore small families in the pre-war years went to work for new "cultural" reasons, and the 1960s, when (at least to 1967) a rising percentage of youth were going to college, and the late Sixties, when the resurgence of feminism and declining birth rates entered the picture, we may have a reasonably complete etiology of a remarkable increase in the demand for jobs among mature women. To project the rate of demand is not so simple, requiring judgments about cultural as well as economic trends in motivation. For a single example, an analyst who emphasizes economic factors might predict that paid employment of women over 40 will decline roughly in parallel with the decline in numbers of the college-age population in the 1980s.

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*U.S. Statistical Abstract--1973, p.54. Percentage single among women 25-29 increased from 9 percent to 12 percent.

But what about the other side of the picture: the demand for female labor? The rate of increase in the types of jobs most women hold is not expected by anyone to maintain its 1950-1970 pace. However, the projection this invites may seriously understate the role of demand for jobs in creating the supply in a vigorous economy, and I would like to supplement my statistical discussion by directing attention to this possibility.

An Employment Model for 1970-2000

While I have not studied the subject, I have the impression that, in a depressed economy, the demand for jobs tends to increase the supply: For a given "amount" of work, more people are employed at lower wages rather than fewer people at higher wages. I suggest that something similar occurs in a vigorous economy, when a novel demand for jobs comes from members of households that already have one earner, as has been the case for most of the post-war expansion of female employment.

Like the self-supporting worker in a depression, the mature married woman who is culturally motivated to take a job is relatively insensitive to wage rates. For this reason, my model says, employers in the post-war period have been hiring more women at lower wages rather than fewer at higher wages, and this process has functioned more or less innocuously because of a high degree of sexual segregation of occupational categories.

However, one might also reason that a husband in a two-earner family is less sensitive to his own wage or salary level than one who is the sole support of a family. In other words, to some extent the willingness to accept a relatively low wage is a characteristic of any earner in a multi-worker household, not of the wife alone.

This becomes especially significant in the future if a high percentage of married women want work _and_ there is a blurring of the distinction between men's jobs and women's jobs. My model suggests that, in occupations where this blurring occurs, the number of jobs will proliferate and wages will be depressed for males as well as females. At the extreme, the lessened sensitivity to wage level of both husbands and wives in two-earner families would, as the number of such families increases, depress wage levels in general. In this scenario, a growing social preference for two-earner families produces adaptations of the work system that transform the preference into a necessity for a much larger fraction of American families than have two earners as a necessity today. While the connotations of "necessity" would presumably be less stark than in the factory and mill towns of the turn of the century, the concept of that period, the "family wage," would be reinstated: that is, the society would drift back into judging the adequacy of the ordinary worker's wage by reference to a social norm in which families have more than one worker. A nonworking wife would be regarded as a luxury.

These speculations have strayed far from the census data discussed in this paper, but the increase in two-earner families is too commonly treated exclusively in an ideological or sociological frame of reference: Is woman's place in the home? Is it bad or good for children to have a working mother? Are we moving toward a "unisex" construction of family roles? And so forth. The economics literature is largely limited to what is of interest to market research: i.e., the differing consumer behavior of families in which the wife works. The idea that the two-earner family is an importantly different economic animal from the one-earner family in any other sense than as a consumer unit seems not to have evoked any serious thought, yet the magnitude and rapidity of increase in such families requires the futurist to consider the possibility.

While this "magnitude and rapidity" may be inferred from my census tables, it seems worthwhile to be more specific. Among married women with husband present, 50.2 percent of those whose children were all between the ages of 6 and 17 were in the labor force in 1972, compared to 28.3 percent in 1950. For those with no children under 18, the change in the 22 years was from 30 percent in the labor force to 43 percent; for those with children all under six, from 12 percent to 30 percent. Overall, 41.5 percent of husband-wife families have a working wife.* To put it another way, in 1950 roughly one out of 14 workers was a married person with a working spouse; in 1970, it was close to one out of 5. Moreover, the experience of sharing responsibility for family financial support tends to be concentrated in occupations at lower-middle to middle skill levels. It is in these occupations that we should expect the remarkable increase in two-earner families to have significant auxiliary effects, whether in the form of drift toward the "family wage" or in other forms.

Conclusions

Like all statistics, Census data are an important step removed from the actualities they aggregate. Employment figures deal with employment at the time the census was taken. Since the decennial censuses are taken in the spring, they show higher employment than if they were taken in the winter, lower than in the summer. They do not distinguish the permanent from the temporary or episodic worker. For comparisons over 70 years, it is less important that they do not distinguish "fulltime" from "part-time" work, since what these terms connote has greatly changed with general work-week reductions and the growth of salaried compared to wage jobs. For post-war censuses, separate data must be used for military employment; this especially reduces precision in estimating employment rates for younger males. Even for a single recent year, Census employment figures will differ significantly from those published by the Bureau of Labor Statistics. And so forth.

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*U.S. Statistical Abstract--1973, P. 223.

Nonetheless, large apparent changes in the age/sex distribution of the workforce, and the percentage employed within age/sex groups can be accepted as valid. So can large variations in rate of change over time. Thus, the following conclusions are presented as "fact":

1. Child labor (10-15 year olds) had become a negligible factor by 1930, although more than a quarter of males these ages had been employed 30 years earlier.

2. Among females, youth employment (16-24) has increased from 32 percent to 43 percent, 1900-1970, with roughly half the increase occurring before the Depression. Declining employment of male youth is also distributed over the period (except for the post-Depression upward adjustment) but is more heavily concentrated in recent decades.

Because of the "baby boom," youth comprise a slightly higher percentage of the workforce in 1970 than in 1950, but we may expect this percentage to decline well below the 1950 figure of 18 percent in the 1980s.

3. Mature workers: Among males, employment rates occupied a high plateau through 1930, at 96-97 percent for ages 25-44 and 93-94 percent for ages 45-64. The derangements of the Depression are suggested by the percentages for the recovery year, 1940, which were 88 percent for the younger and 81 percent for the older male groups. The subsequent pattern has consisted of minor fluctuations around the late-Depression level. Some evidence of a new trend toward early retirement is supplied by a drop in employment of 60-64 year olds from 78 percent to 73 percent during the Sixties

4. Mature workers: Over the past 30 years, there has been a revolutionary increase in employment rates of women 25-44 and 45-64: from 25 percent to 45 percent for the younger group and from 19 percent to 46 percent for the older one. More than half of all women in husband-wife families with children ages 6-17 are now employed, compared to 28 percent twenty years ago.

5. People 65 and older comprised 4 percent of the workforce in 1900 and do so today. (Intriguingly, this percentage held even in the Depression.) Similarly, the percentage of elderly women who are employed has been constant at about 9 percent throughout the period. However, the employment rate of elderly males has dropped from 68 percent to 24 percent. The drop during the Depression decade was from 58 percent to 38 percent, and there was a "recovery" to 39 percent in 1950. If Social Security and other pension liberalization are the reason for the further one-third drop in elderly male employment since 1950, we should expect the decline to continue, especially among the poor in the poorer states, because of

the nationalization and liberalization of public assistance for the elderly.

6. The great changes in the age/sex composition of the workforce point up ambiguities in our understanding of causality. The changes have been greatest (naturally enough) among those who have or acquire the alternative not to work. Ignoring plus and minus signs, employment would have been "different" by 10.6 million jobs in 1970 if the same percentages of women ages 25-64, men 65 and over, and both sexes under age 25 had been employed as in 1950. These changes break down into 1.3 million fewer elderly male jobs, 2.1 million fewer youth jobs, and 7.2 million more mature-women jobs.

Such changes are generally construed as reflecting changes in the demand for labor, resulting from changes in production technology and the characteristics of consumer demand for goods and services. This seems to be a largely correct construction for the young and the old: the difficulties these groups experience today in finding employment suggest that protracted schooling and high take-up rates for social security are much more effects of low labor market value than causes of reduced employment. Still, the abruptness with which the Great Depression created marked, enduring changes in age-specific male labor supply warns of complexities. To some extent, the organization of the work system seems to have altered on the basis of assumptions about the availability of young and old workers in particular. In other words, once social security came into existence and high school graduation became the norm, changes in the demand for labor were modified by expectations that a dwindling supply of young and old applicants was in prospect. This tendency would also have been fortified by the institution of the minimum wage. It thus seems reasonable to say that governmental actions have, since the 1930s, accelerated preexisting trends in the age characteristics of the workforce.

Similarly, mature-female employment has greatly increased in part because government employment, which includes disproportionate numbers of "women's jobs," has greatly increased (recently, mostly at the state and local levels). The governmental tax take at all levels of government increased (in unadjusted dollars) from $337 per capita in 1950 to $1,146 in 1970. Some of this increase may be thought of as "buying" jobs for women that would not have existed had the money remained in the private sector. In other words, and for the private as well as the public sector, it does not seem entirely satisfactory to explain the whole expansion of female job places on conventional grounds of increased demand for these types of labor. Women who by traditional criteria did not need to work developed a preference for work. In a sense, the job was a commodity which they wished to buy, by the investment of their time and labor, in preference to the alternatives. A demand for jobs developed that may reasonably be thought to have influenced the supply of jobs, creating more female jobs, presumably at lower wages and with lower productivity, than would have been created by the "normal" workings of a changing economy. Since most of this demand came from husband-wife families, it might be better to say that many such families doubled their "consumption" of jobs between 1950 and 1970.

Thus, I conclude that projections of the occupational and age/sex distribution of the workforce should not rely entirely on the inherent logic of supply-side dynamics. Trends in preferences for job or "leisure" and in governmental social welfare programs may well play an important role. The emergence of these factors--the latter in the 1930s, the former in the 1950s--may be one of the more important developments represented by the census time-series data.

	1900	1920	1930	1940	1950	1960	1970
AGE GROUPS AS % OF TOTAL POP. 10 AND OVER							
TOTAL POP. 10 AND OVER (IN MILLIONS)	57.9	82.7	98.7	110.4	121.3	140.3	166.1
10-24 (%)	40	35	35	32	27	29	34
% MALE	50	50	50	50	50	50	50
25-44 (%)	37	38	37	36	37	33	29
% MALE	52	51	50	50	50	49	49
45-64 (%)	18	21	22	24	25	26	25
% MALE	53	54	52	51	50	49	48
65+ (%)	5	6	7	8	10	12	12
% MALE	50	51	50	49	47	45	42
AGE GROUPS AS % OF TOTAL EMPLOYED							
TOTAL EMPLOYED, 10 AND OVER(IN MILLIONS)	29.1	41.6	48.8	47.7	56.8	66.0	79.0
10-24 (%)	32	26	24	20	18	17	21
% MALE	72	68	66	65	64	64	58
25-44 (%)	43	46	46	48	46	45	41
% MALE	86	82	80	75	72	70	65
45-64 (%)	20	24	25	28	30	34	35
% MALE	88	82	85	82	75	67	63
65+ (%)	4	4	4.5	4	5	4.5	4
% MALE	88	86	88	87	82	71	64.5
% OF AGE GROUPS THAT ARE EMPLOYED							
TOTAL, 10 AND OVER (%)	50	50	50	43	47	47	48
MALE/FEMALE (%)	80/19	78/21	76/22	65/21	67/26	66/29	60/34
10-24 (%)	41	37	35	27	31	27	29
MALE/FEMALE (%)	59/23	51/24	46/23	35/19	39/22	34/20	34/25
25-44 (%)	59	61	62	58	59	63	66.5
MALE/FEMALE (%)	96/18	97/22	97/25	88/28	86/32	91/37	89/45
45-64 (%)	56	58	58	51	55	62	64.4
MALE/FEMALE (%)	93/14	94/17	94/19	81/18	83/28	85/40	84/46
65+ (%)	39	34	33	22	22	18	15.4
MALE/FEMALE (%)	68/9	60/8	58/8	38/6	39/8	28/10	24/9.5

THE WORK FORCE

"A Profile of the Work Force and Its Environment"

by

Frank Armbruster

CONTENTS

Page

I. The Make-Up of the Work Force 619

II. How the Work Force and Its Representatives View Themselves And Their Lot 639

  A. Unions and the Changing Work Force. 639

  B. Public Attitudes Toward Jobs, Income, Standard of Living. 642

  C. Worker Family Attitudes and Preferences on Money, Housing 661

III. The Middle-Class--Work Force Relationship 667

IV. The Blue Collar Worker's World. 678

V. The White Collar Worker's World 687

VI. The World of the Hard-Core Unemployed and the Occasional Worker 688

  A. Permanently Out-of-Work Family Members. 689

  B. Vagrants and Drifters 691

VII. Current Policy Problems in Developing Programs for the Unemployed. 694

VIII. Summary 713

A PROFILE OF THE WORK FORCE AND ITS ENVIRONMENT

I. The Make-Up of the Work Force

In discussing the work force of the country today and over the next ten years, one finds that the perception of this force varies considerably, depending upon what one reads and to whom one talks. The evidence is clear that the demands for workers generated by the economy over the past quarter century have changed considerably. Furthermore, even considering certain possible deviations, some of which will be covered later, projections that one sees tend to indicate that this change will continue. The demand for white collar workers and service industry personnel rose while the demand for farm workers fell over the past years.[*] This trend as we shall see later is projected to continue to 1985. The drop in demand for blue collar workers has really been a relative drop compared to other areas, for the actual number of blue collar workers increased from 23.3 million in 1950 to 29.2 million in 1974. But this increase in demand was vastly overshadowed by the increase in demand for white collars from 22.4 million in 1950 to 41.6 million in 1974.[**]

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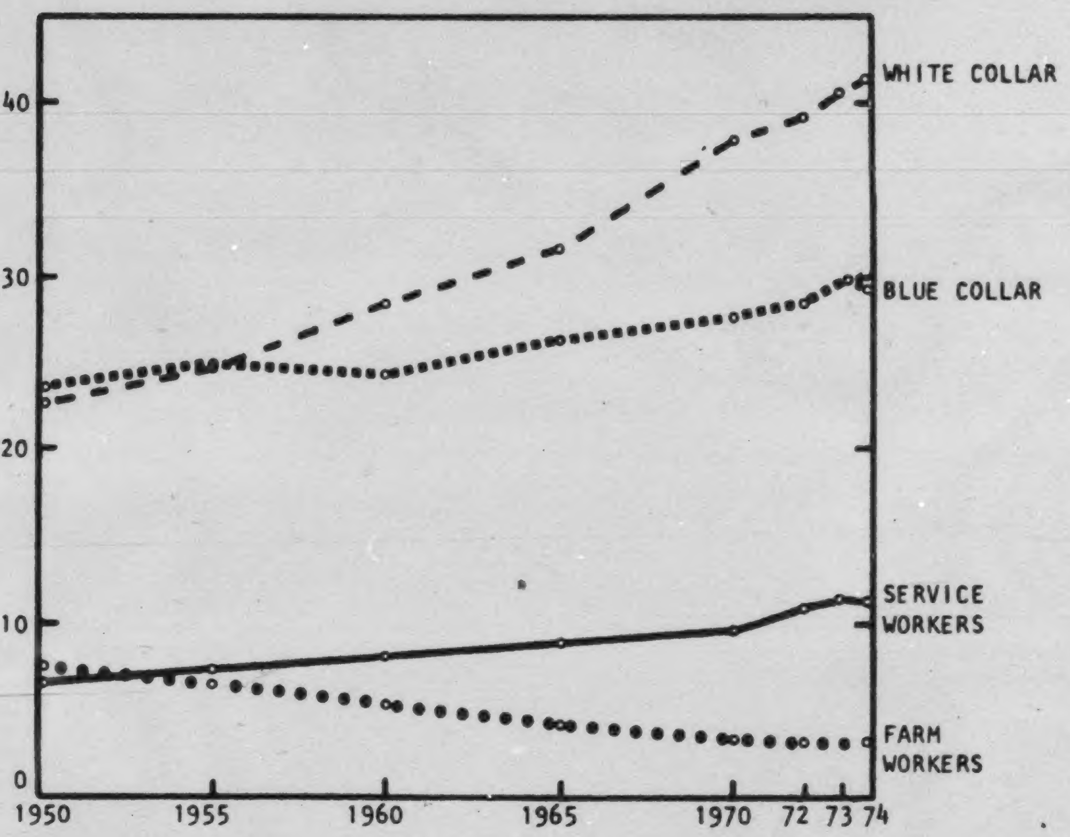
[*] *Statistical Abstract of the United States: 1974*, p. 351, Table 569.

[**] *Ibid.*, p. 350, Table 568.

BLUE COLLAR, WHITE COLLAR, FARM AND SERVICE WORKERS (MILLIONS) 1950-1974 (APRIL)



U.S. DEPARTMENT OF COMMERCE, STATISTICAL ABSTRACT OF THE UNITED STATES: 1974, P. 350, TABLE 568

The percentage of the total work force made up by white collar workers rose from 44.2% in 1957 to 50.8% in 1970. The percentage of such workers in the total work force has fallen off slightly to about 50% in 1973. However, the blue collar workers who made up 38.2% of the work force in 1957 dropped to 34.5% in 1970, and in 1973 still only made up 34.7% of the work force. Service industry workers, who made up 9.1% of the work force in 1957 made up 11.7% of the force in 1973.*

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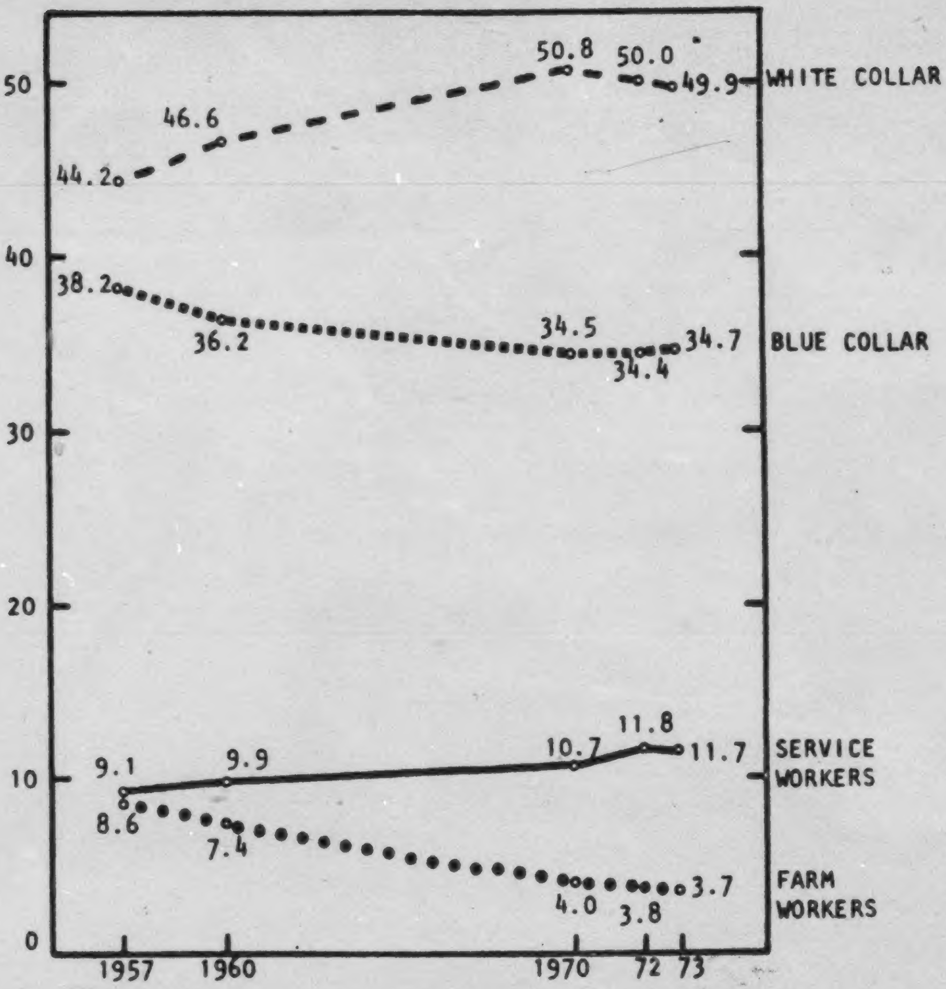
*Statistical Abstract of the United States, 1974, p. 351, Table 569.

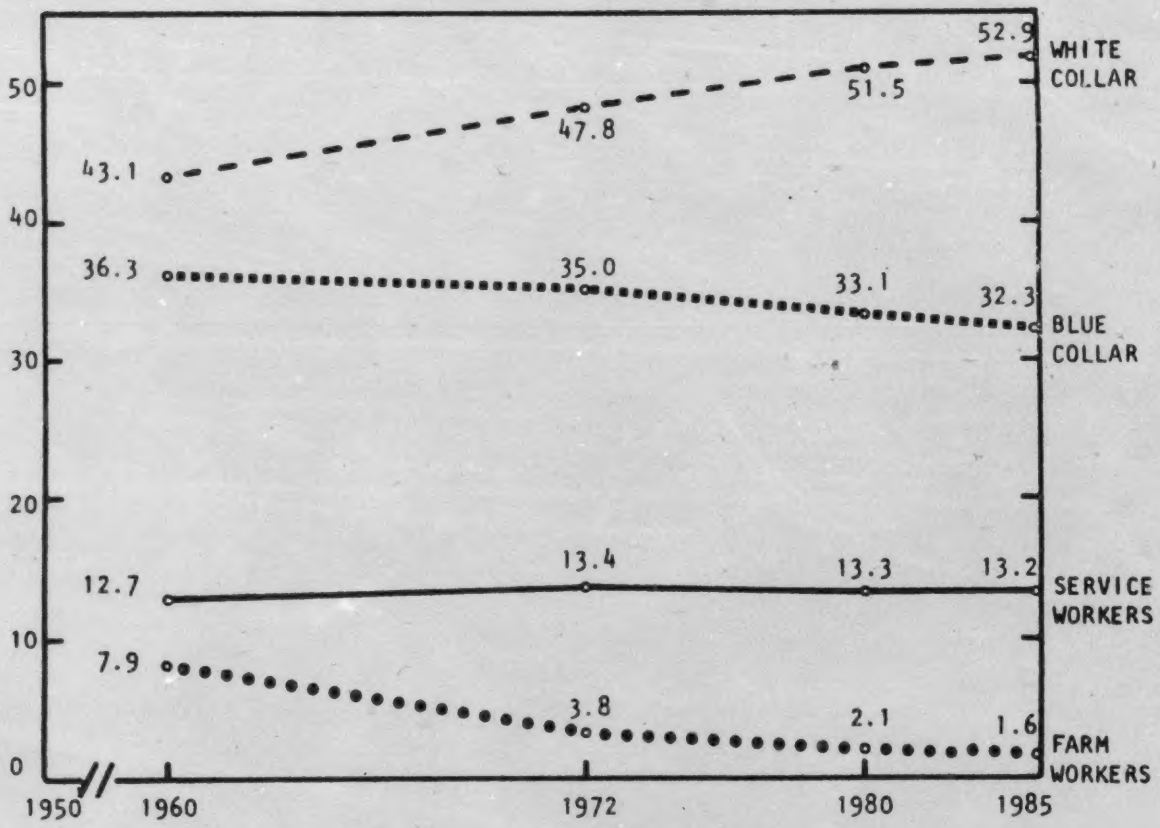
BLUE COLLAR, WHITE COLLAR, FARM AND SERVICE WORKERS
(% OF WORK FORCE) 1957-1973



U.S. DEPARTMENT OF COMMERCE, STATISTICAL ABSTRACT OF THE UNITED STATES: 1974, P. 351, TABLE 569

Projections to 1985, though differing somewhat in specific numbers (or perhaps, more correctly, in the definition of blue collar and service workers, for example), show a continuation of these trends with the exception of the service workers who are predicted to stabilize and even decrease somewhat after 1972.

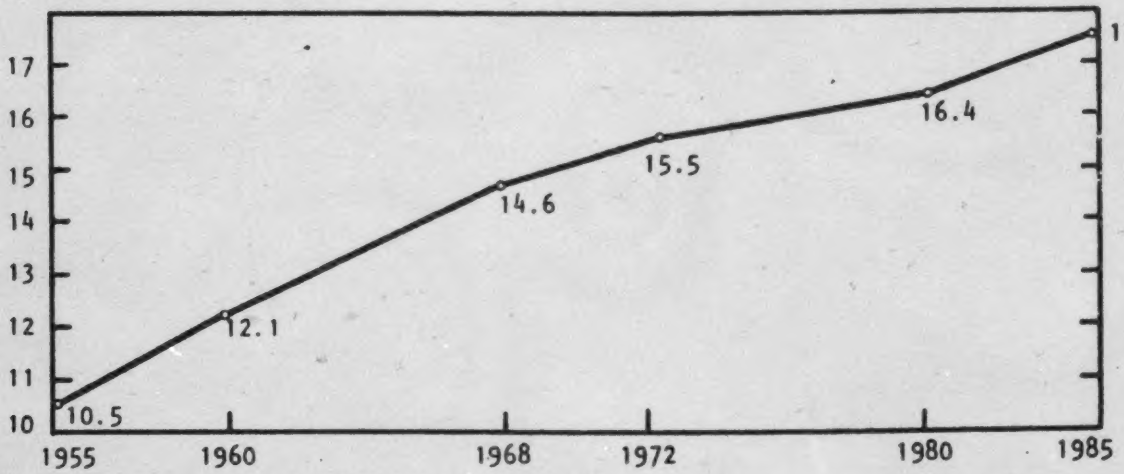
PERCENT OF LABOR FORCE MADE UP OF WHITE COLLAR, BLUE COLLAR, SERVICE WORKERS AND FARM WORKERS



U.S. DEPARTMENT OF LABOR, THE U.S. ECONOMY IN 1985, A SUMMARY OF BLS PROJECTIONS, BULLETIN 1809 (WASH.: G.P.O., 1974), P. 19, TABLE 2

Between 1965 and 1973 while the work force as a whole increased by 24% production workers increased by only 21%.* On the other hand, perhaps the most drastic increase in any occupational category has been among government employees, particularly state and local employees, and this great increase in such employees is projected by the Department of Labor to continue through 1985 with very little change in the rate of increase. In 1955 such workers made up 10.5% of the work force. By 1972 they constituted 15.5% of the force (see following graph). Between 1960 and 1973 they increased by over 63%.** The trends for the future as estimated to 1985 show similar tendencies.

PERCENT OF WORK FORCE MADE UP OF ALL GOVERNMENT EMPLOYEES



U.S. DEPARTMENT OF LABOR, THE U.S. ECONOMY IN 1985: A SUMMARY OF BLS PROJECTIONS, BULLETIN 1809 (WASH.: G.P.O., 1974), P. 39, TABLE 9

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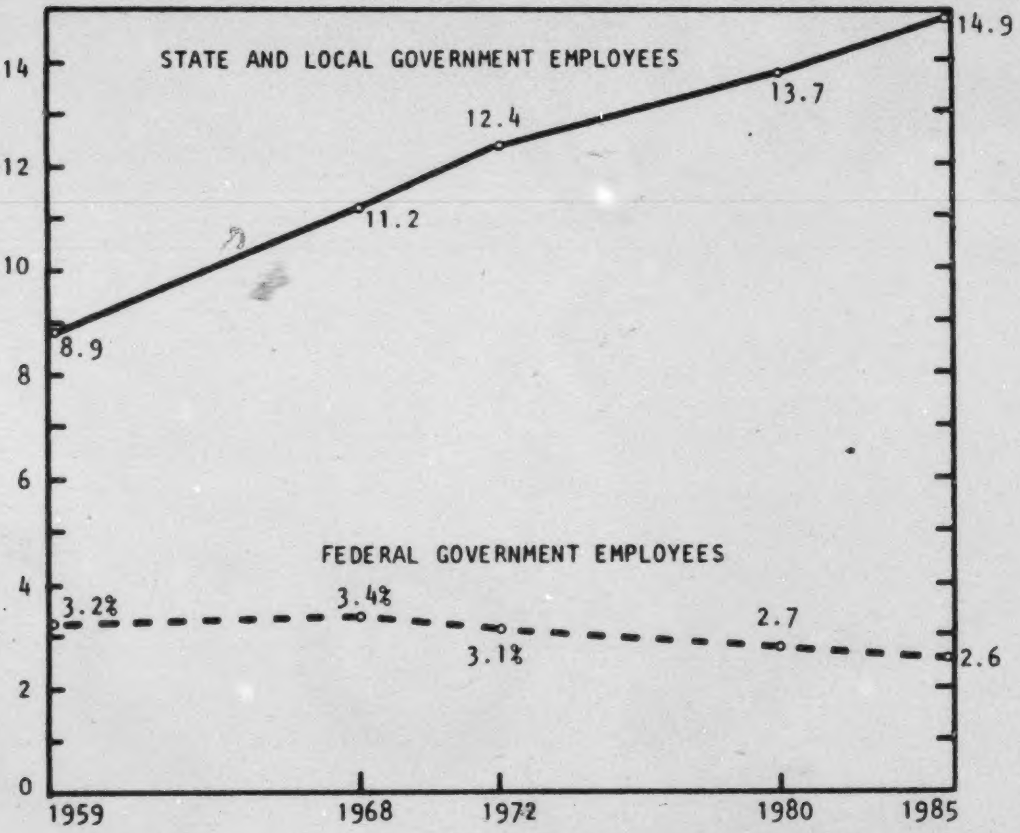
*Statistical Abstract of the United States: 1974, p. 347, Table 566.

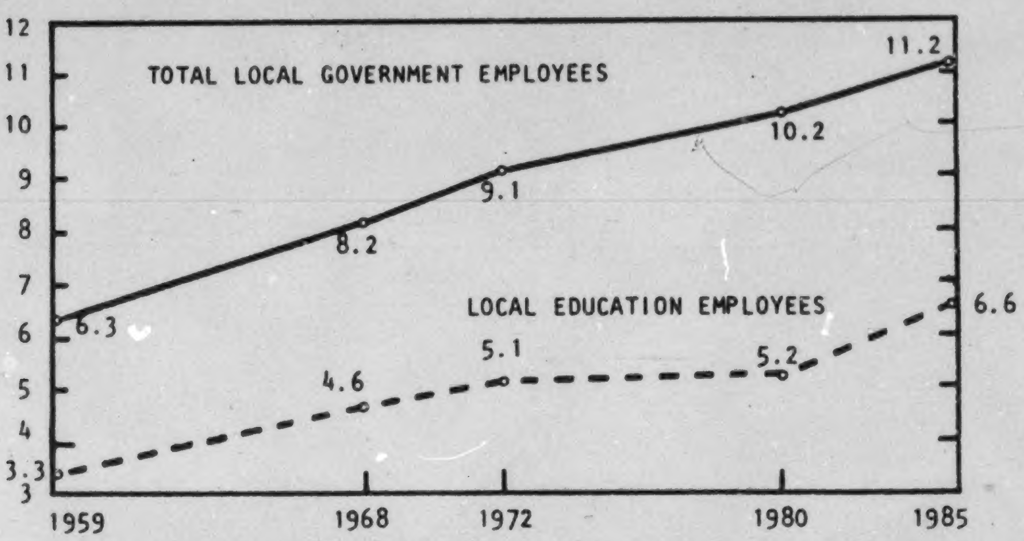
**Statistical Abstract of the United States, 1974, p. 349, Table 566.

PERCENT OF WORK FORCE MADE UP OF FEDERAL GOVERNMENT EMPLOYEES AND STATE AND LOCAL GOVERNMENT EMPLOYEES



U.S. DEPARTMENT OF LABOR, THE U.S. ECONOMY IN 1985: A SUMMARY OF BLS PROJECTIONS, BULLETIN 1809 (WASH.: G.P.O., 1974), PP. 52 AND 62, TABLES C-3 AND C-4

PERCENT OF WORK FORCE MADE UP OF LOCAL GOVERNMENT EMPLOYEES



U.S. DEPARTMENT OF LABOR, THE U.S. ECONOMY IN 1985: A SUMMARY OF BLS PROJECTIONS, BULLETIN 1809 (WASH.: G.P.O., 1974), PP. 52 AND 54, TABLE C-3

It should be noted, however, that if certain events occur which are widely discussed (and some even "programmed" now), changes in the preceding charts would result. For example, if Project Independence, a program aimed at making the U.S. independent of outside sources for its energy, were to be given high priority (which to date it has not), amounts of coal three or more times greater than currently used would be mined, transported and used in this country. Unlike such activities associated with liquid and gaseous fossil fuels, in the case of coal they are highly labor intensive. The vast majority of this labor would fall into the blue collar category and would be performed almost exclusively by males. The numbers of workers involved could be large enough to cause easily perceptible changes in the statistics. Tripling coal production would probably double the employees in the coal mining industry (from about 600,000 to 1,200,000), increase employment on railroads (from about 500,000 to about 750,000 jobs--track improvement and maintenance requirements alone would be vast), and the jobs generated by the use of coal fired boilers (in tending coal yards, conveyor belts, stokers, removing ashes, etc.) would also probably run into the hundreds of thousands.

Stresses on urban and suburban mass passenger transit systems could take up much of the slack in auto workers and also create new jobs on the manufacturing side alone. It has been estimated that 450,000 manufacturing jobs would be required in a serious, fuel saving, mass passenger transit effort,* launched in support of Project Independence.

New products and even inflation rates and currency exchange ratios could also change the situation too. For example, labor costs are so high on the Continent in Europe that U.S. manufacturing processes have become competitive with European processes, in Europe (e.g., furniture making and even specialized items like settings for theater stages and industrial fairs).

Tax burdens could become so severe that the large increase in state and municipal employment may not occur.**

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*See the statement from Senator Hart's office quoted in an article by Emma Rothschild, The New York Times, July 27, 1975, p. 4E.

**One feels, however, that the percent of the work force made up of such workers is likely to at least remain approximately where it is despite efforts to reduce it. Such groups, particularly when unionized, are very persistent. For example, New York City's municipal work force rose from 160,000 to 350,000, an increase of almost 120%, in 10 years, with no increase in population, yet with the city on the very brink of bankruptcy, mighty city, state and Federal efforts have only reduced the force by about 4 or 5%.

Barring such events, however,* (and perhaps even if they occur), the projections of types of workers in the force to 1985 listed above are not unreasonable.

The demographic makeup of this work force, of course, is also slated for change by 1985. Workers between the age of 20 and 34 will have increased by 37% over their 1972 figures. By 1985 they will make up 41.6% of the work force compared to 36.5% of the force in 1972. The 16 to 19 year olds will make up 6.7% of the force in 1985, compared to 9.4% in 1972 and their absolute numbers will actually have decreased somewhat. The 35 to 54 year old workers will make up 36.6% of the force, compared to 37.9% in 1972. The median age of the work force will have changed from 37.2 years to 35.8 years between 1972 and 1985, a considerably lesser change than between 1960 and 1972, when the median age went from 39.8 years to 37.2 years.**

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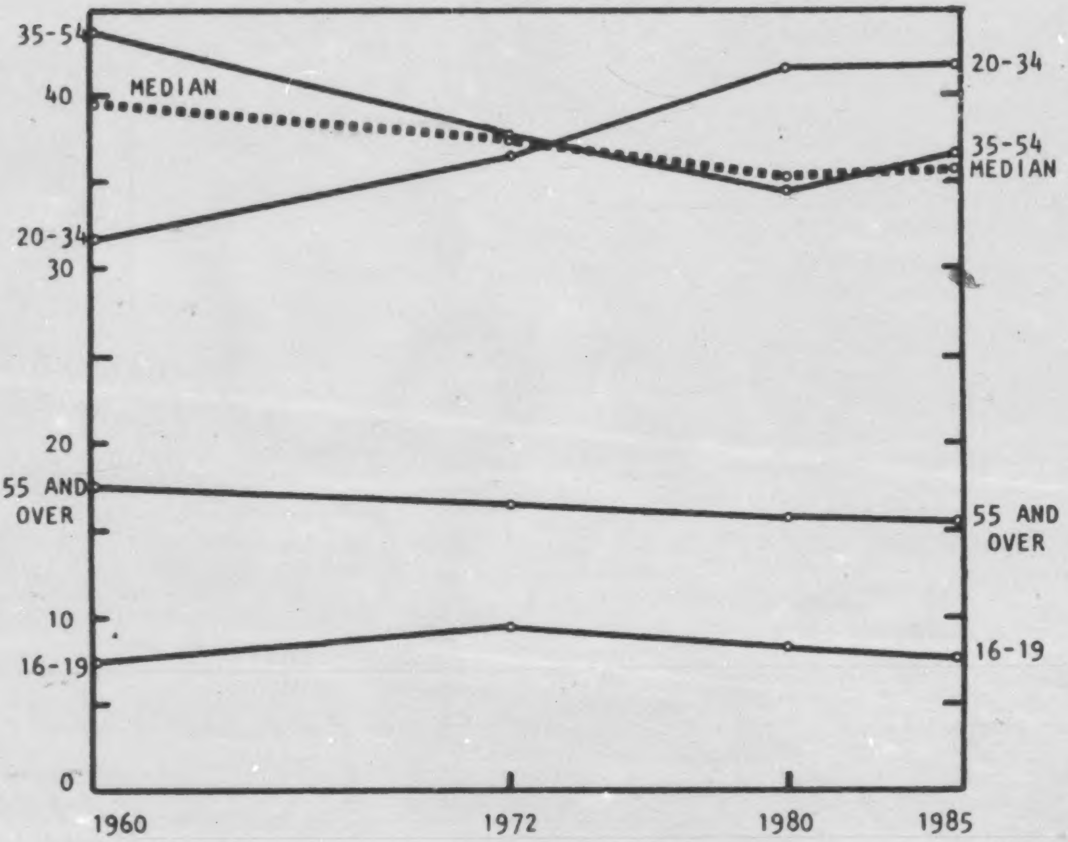
*And unless some serious decisions are made at the highest levels, many are likely to be largely barred.

**The U.S. Economy in 1985, Summary of BLS Projections, p. 10, Table 12.

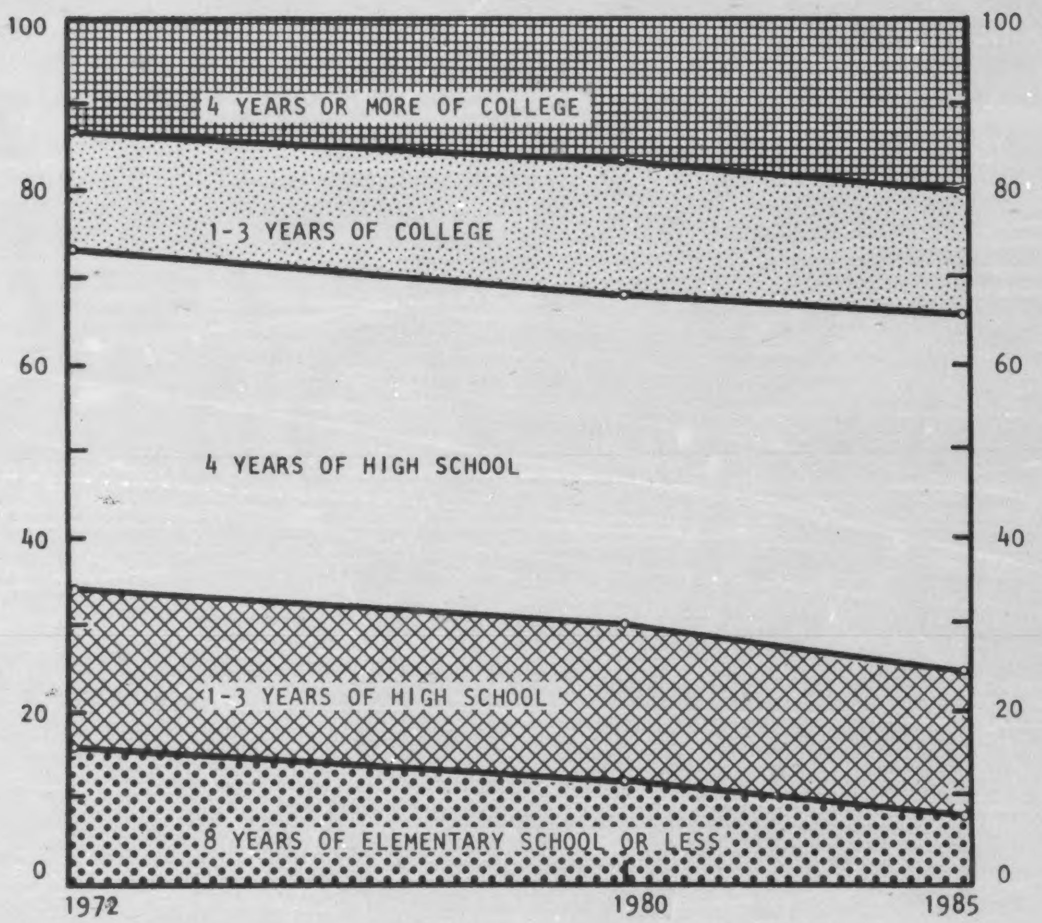
MEDIAN AGE OF WORK FORCE AND PERCENT DISTRIBUTION BY AGE TO 1985



U.S. DEPARTMENT OF LABOR, THE U.S. ECONOMY IN 1985: A SUMMARY OF BLS PROJECTIONS, BULLETIN 1809, 1974, P. 10

The 1985 labor force will have completed more years of schooling than the 1972 force. By 1985 only approximately 8% will have 8 years or less of elementary school. Only about 18% will have one to three years of high school, while 40% will have four years of high school, and 18% will have one to three years of college and almost 20% will have four years or more of college. In 1972 about 17% of the workers had eight years of elementary school, or less, while 20% had one to three years of high school, 49% had four years of high school, about 14% had one to three years of college, and about 16% had four years or more of college.

EDUCATIONAL ATTAINMENT OF WORK FORCE TO 1985



U.S. DEPARTMENT OF LABOR, THE U.S. ECONOMY IN 1985: A SUMMARY OF BLS PROJECTIONS, BULLETIN 1809, 1974, P. 13

The actual average academic achievement of these 1980 and 1985 workers, however, may not be as impressive as their years of schooling would indicate if the apparent downward trend in average academic achievement in our institutions of primary, secondary, and higher education continues. However, if the trend bottoms out and an increase in standards again occurs in the schools as it did in the '50s after the decline of the 1940s, at least the younger workers beginning to enter the work force by 1985 may be well-educated people.*

There is another factor which may affect this work force more than the workers' age and education level, and that is the declining birth rate which we are now experiencing. If this downward trend should continue or maintain its current level, the number of young workers in the force having children will be at a significantly lower level for a longer period of time than was true in the recent past. Current difficulties, such as absenteeism and lack of initiative and energy on the job by workers, are apparently more likely to be noticeable among people who do not have the responsibility of supporting a wife and children, paying a mortgage, etc.

Another significant change has been occurring over the past thirty five years in the demographic aspect of the labor force and has recently been receiving considerable attention. In recent decades women have made up an ever-increasing percentage of the force and an ever-increasing percentage of women have become breadwinners (though this apparently promises to top out after 1985). The gentler sex made up less than one quarter of the work force thirty five years ago but it seems destined to account for about two fifths of it before the end of the century.

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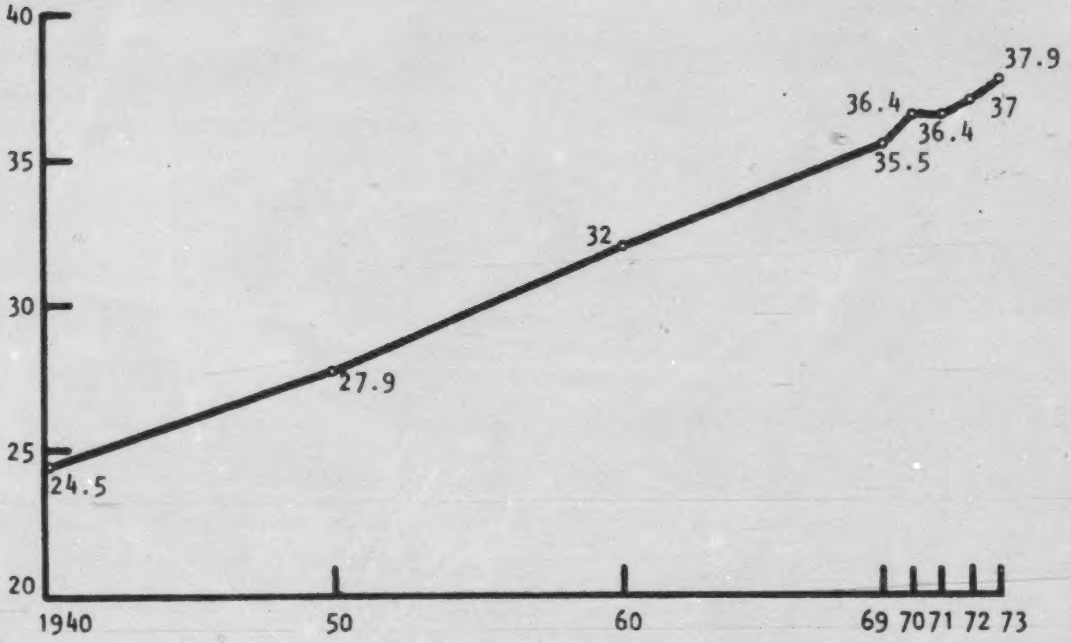
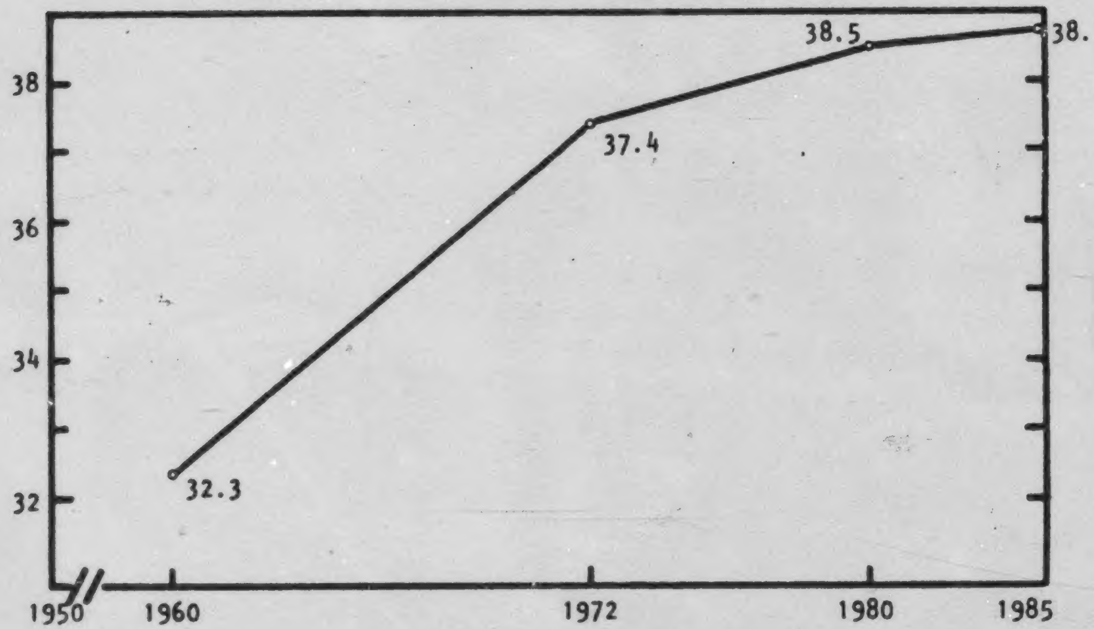
*See The U.S. Primary and Secondary Educational Process, by Frank Armbruster, with contributions by Paul Bracken and the assistance of Joyce Lind, pp. 27-78; 128.

PERCENT OF LABOR FORCE COMPRISED OF WOMEN



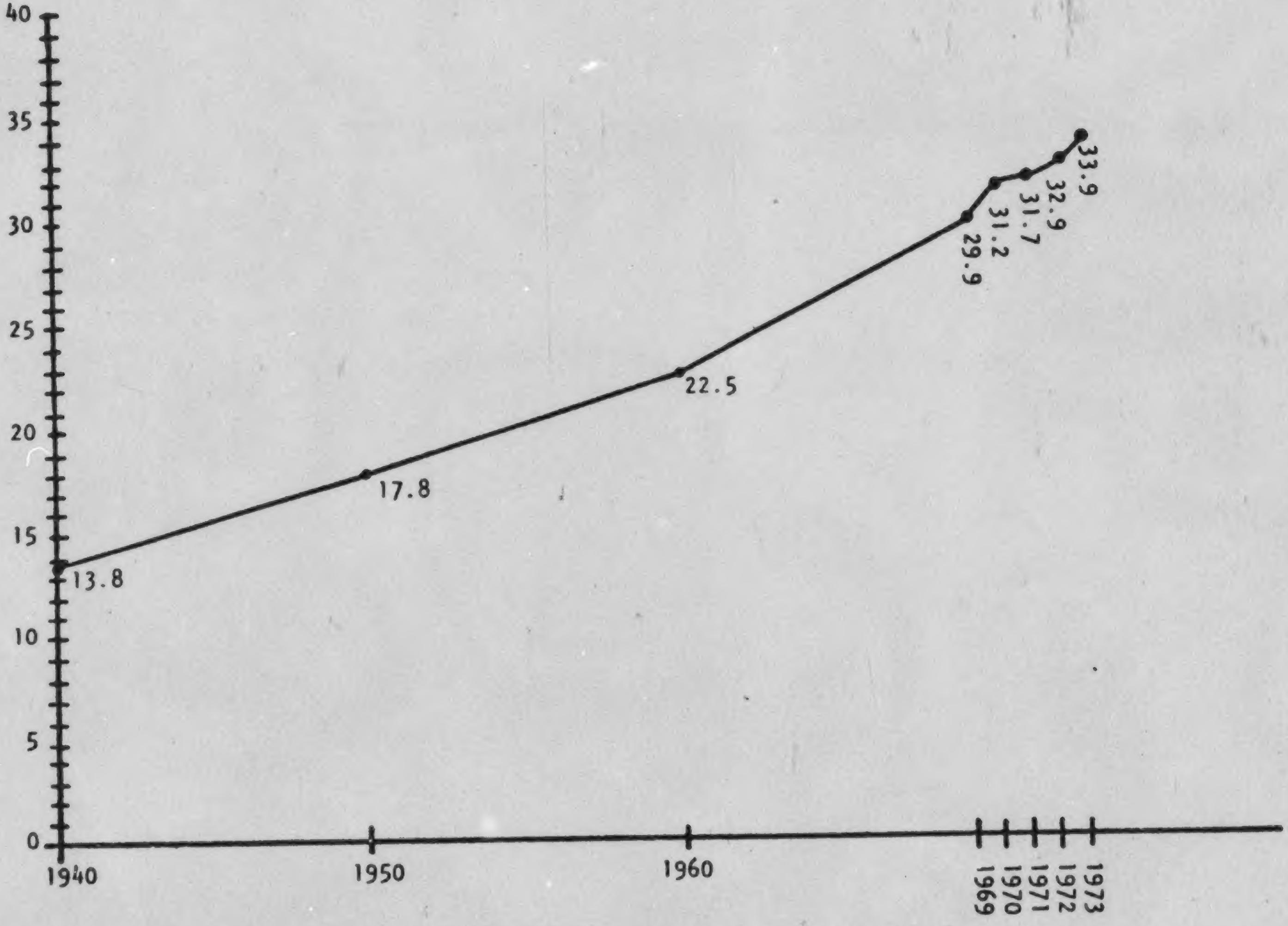
STATISTICAL ABSTRACT OF THE UNITED STATES, PP. 219 AND 222, 1974, P. 336; THE STATISTICAL HISTORY OF THE UNITED STATES FROM COLONIAL TIMES TO THE PRESENT, PP. 71 AND 72

PERCENT OF LABOR FORCE MADE UP OF WOMEN TO 1985



U.S. DEPARTMENT OF LABOR, THE U.S. ECONOMY IN 1985: A SUMMARY OF BLS PROJECTIONS, BULLETIN 1809 (WASH.: G.P.O., 1974), P. 10, TABLE 2

NUMBER OF WOMEN IN THE LABOR FORCE
(MILLIONS)



STATISTICAL ABSTRACT OF THE UNITED STATES: 1973, PP. 219 AND 222, 1974, P. 340
THE STATISTICAL HISTORY OF THE UNITED STATES FROM COLONIAL TIMES
TO THE PRESENT, PP. 71 AND 72.

Furthermore, though the absolute number of married women who work is increasing, the percentage of the female work force made up of married women has not increased since 1969. Women with children who have husbands present are working in ever-increasing numbers but a growing number of them may be working only part time.* In fact the number of full-time working mothers with children seems to have topped out too in the mid-1960s, but those with children under six years of age continued to increase.**

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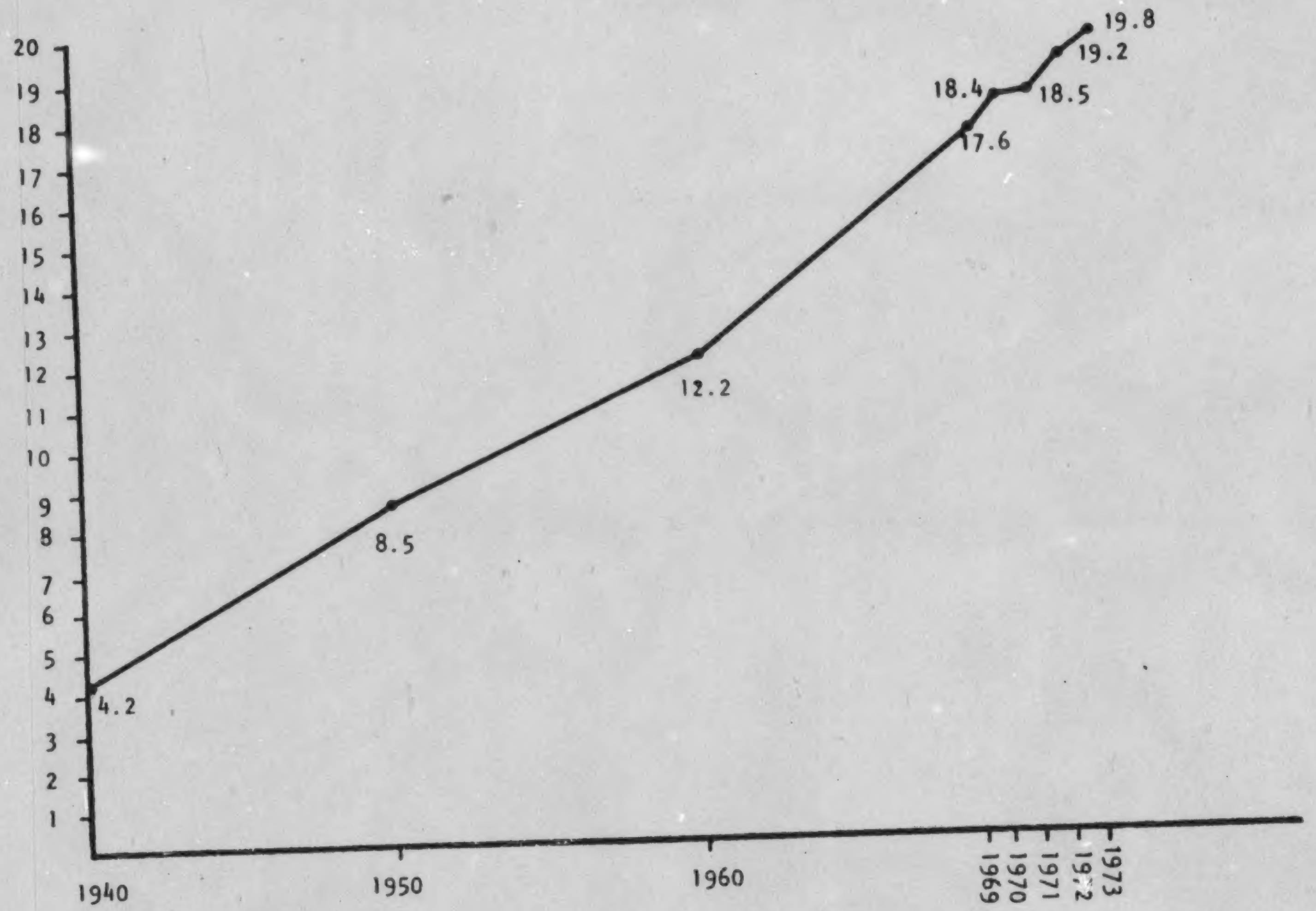
*See Lind, Joyce, "Women in the Work Force," pp. 736-737 of this report.

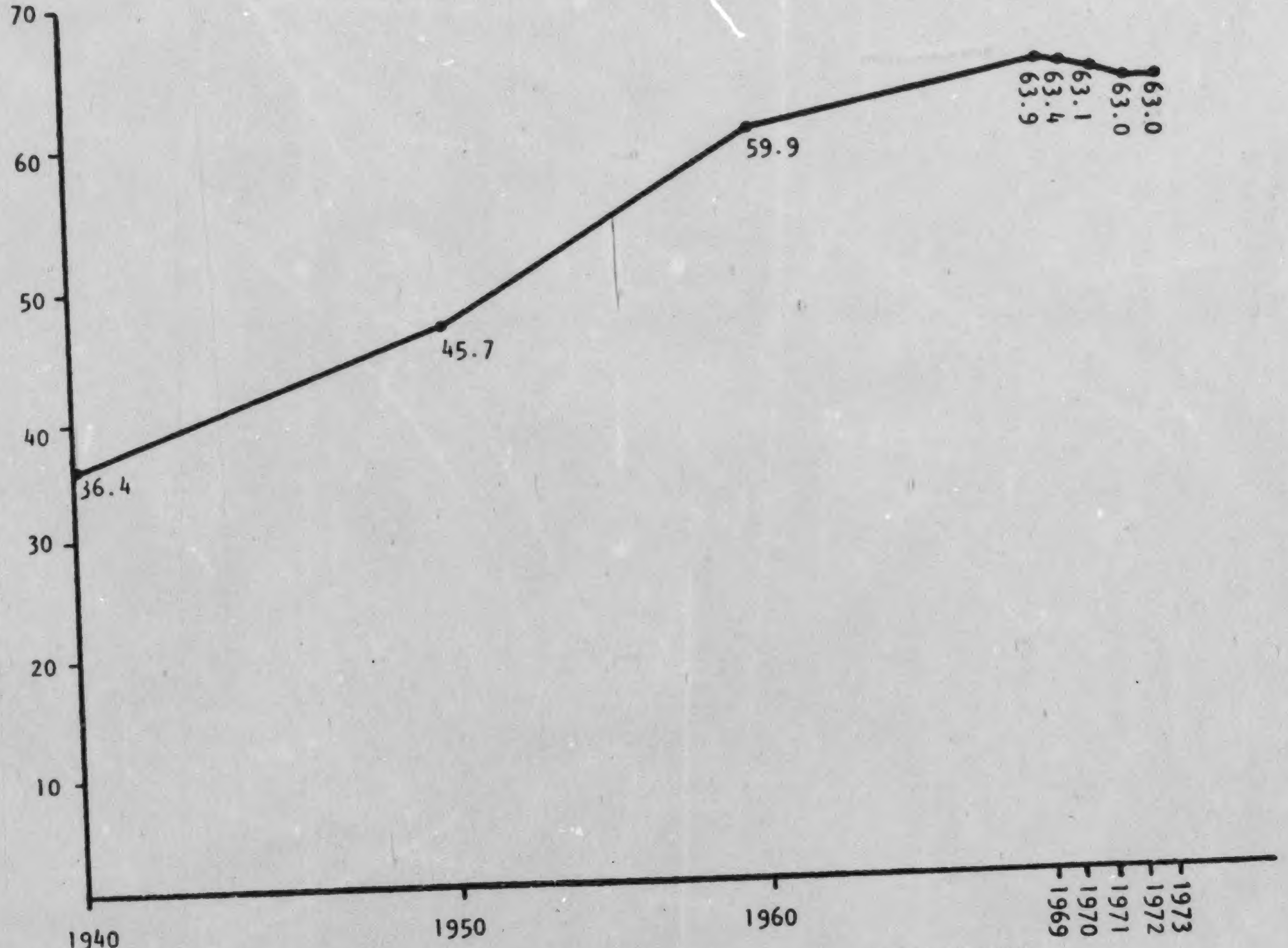
**Ibid., passim.

MARRIED WOMEN IN THE LABOR FORCE (HUSBANDS PRESENT)
(MILLIONS)



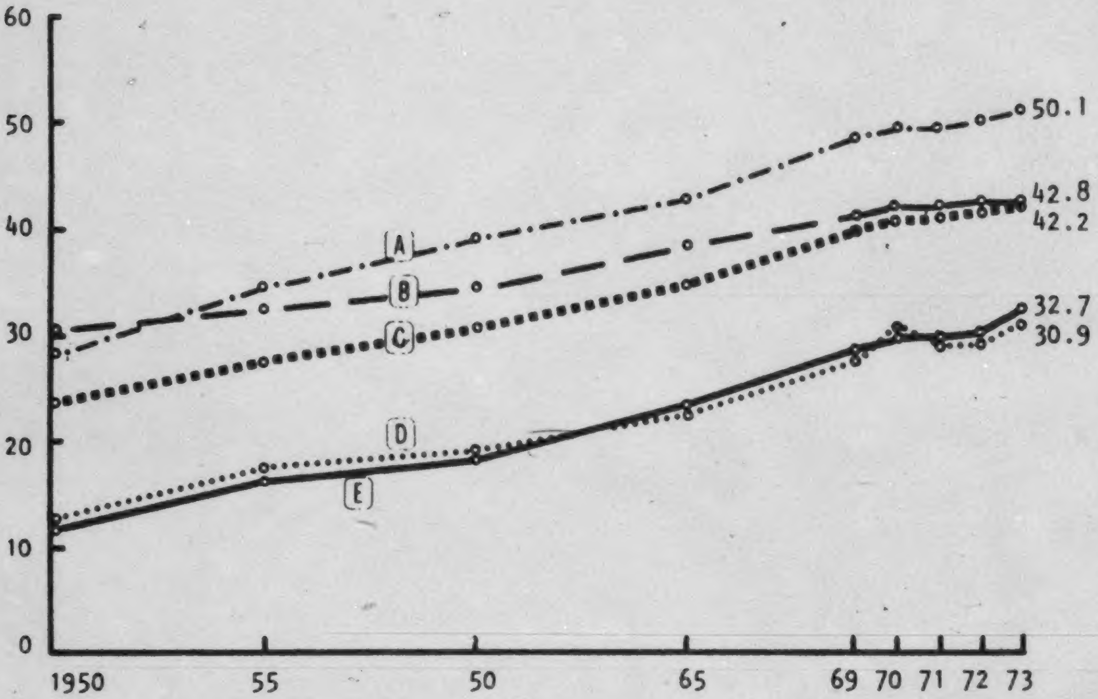
STATISTICAL ABSTRACT OF THE UNITED STATES: 1973, P. 222; 1974, P. 340

PERCENT OF FEMALE LABOR FORCE COMPRISED OF MARRIED WOMEN



STATISTICAL ABSTRACT OF THE UNITED STATES: 1973, P. 222; 1974, P. 340

PARTICIPATION RATE IN CIVILIAN LABOR FORCE, MARRIED WOMEN (HUSBAND PRESENT) BY AGE AND PRESENCE OF CHILDREN



A MARRIED WOMEN (HUSBAND PRESENT) WITH NO CHILDREN UNDER 18 YEARS OLD
B WITH CHILDREN 6-17 YEARS OLD
C MARRIED WOMEN (HUSBAND PRESENT)
D WITH CHILDREN UNDER 6 YEARS OLD AND WITH CHILDREN 6-17 YEARS OLD
E WITH CHILDREN UNDER 6 YEARS OLD

U.S. DEPARTMENT OF COMMERCE, STATISTICAL ABSTRACT OF THE UNITED STATES: 1973, P. 223; 1974, P. 341

II. How the Work Force and Its Representatives View Themselves And Their Lot

A. Unions and the Changing Work Force

There may be a significant difference between the way people who study the work force look at it and the way the work force and the representatives of a sizeable segment of it look at themselves. All the changes in the force mentioned earlier which undoubtedly are significant and, when studied by sociologists, may sometimes seem to point to new methods of dealing with the force, and perhaps even new ways of organizing it; but such changes seem to make less impression on the union officials and organizers. At least there seems to be no plan to change in any significant way their operations for the future, either in organizing or negotiating. The AFL-CIO, though aware of them, seems to be relatively unmoved by the changes in the labor force and are proceeding to maintain their 16 million membership by organizing municipal workers and white collar workers as their production workers drop off.* The fact that more "white collar" women are entering the AFL-CIO apparently does not, in many union officials' opinion, indicate the need for any great change in their approach to organizing or negotiating. For example, they now have in their membership a larger number of teachers, about two-thirds of which are women and they have not changed any of their general field work. (Apparently over the long run this increase in white collar female union membership may have been offset by non-union employment of women for the actual percent of women workers who belong to unions, according to one source, decreased between 1952 and 1972 from 15.1% to 12.6%[*] and, according to another source, from 12.9% in 1966 to 10.3% in 1970.[**] The first source shows the percent of all workers who are union members increasing from 18.1% in 1952 to 21.7% in 1972 and the percent of women workers unionized remaining approximately constant from 1964 to 1972. On the other hand, the second source shows the percent of male workers who are unionized falling from 31.4% in 1966 to 28.5% in 1970. But both sources see fewer women unionized than men, and non-union people, men or women, have a lower average income than do union people.[***])

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*Though the absolute number of union members has risen somewhat, after peaking in 1955 the percent of the work force which is unionized fluctuated somewhat and overall had, as of 1972, shown a slight downward trend (1940, 15.5%; 1950, 22%; 155, 24.4%; 1960, 23.6%; 1965, 22.4%; 1968, 23.0%; 1970, 22.6%; 1972, 21.8%). Statistical Abstract of the United States, 1974, p. 365.

There are some exceptions to the union approach to this somewhat changed work force, e.g., some slightly different approaches to organizing large commercial buildings full of clerks, by functioning from within, organizing within the building, as of old, rather than just "handing out pamphlets" at the door. Actually the changes in people who come under the National Labor Relations Act have made more differences to the unions than just about anything else that has transpired recently. Executive Order 10998 which put hospital workers under the National Labor Relations Act, for example, put something like 1.2 million people into the group that is eligible for unionization through the normal ballot system. They are interested in this kind of change as much as the other larger changes in the work force simply because unions must look at the target work force that they can organize, as well as the overall work force, some of which are beyond their reach under the normal legal processes of organization. But when something like an Executive Order 10998 puts union organization under the protection of the courts, the organizing becomes much easier and much more straightforward.

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[*] Monthly Labor Review, October, 1974, p. 4.

[**] Monthly Labor Review, May, 1974, p. 28.

[***] Monthly Labor Review, December, 1974, pp. 3-9.

On the issue of women in the work force, one union executive pointed out that unions did not start out to organize Irishmen, but started out to organize workers and there just happened to be a lot of Irishmen in the work force, and he looked upom women in the same light, although he pointed out that women organizers have been used in the ILGWU and other unions that have large numbers of women in them. But the process is basically the same.

On the issue of blue collar blues, etc., again union leaders seem to be much less concerned about this and one feels that there is no pressure on them from the locals because of the kind of things that so much has been written about these days--industrial democracy, enriching the job, etc. Obviously at the moment the greatest discontent is among workers who have no jobs. Some union leaders feel wages and other tangible benefits are the primary issues in worker satisfaction among the work force. In the last analysis, according to the union leaders, unions do what the workers want them to do, and one feels that they do have a fairly good feel for what the demands are down at the locals.

On the question of productivity the large number of municipal workers and state and federal employees now enrolled in unions is having an effect. Work demands are not tied to productivity in these areas, and since the percentage of such workers now unionized is growing, one feels that this will have an impact on the concern of unions for productivity. The traditional argument for high pay among American workers has been that output per worker has been rising significantly and is higher than worker productivity abroad, and unions have been quick to point this out. At the moment, however, 13%

of the AFL-CIO membership is in municipal, state and federal unions, and in most of these unions productivity is thought to be hard to measure, and wage demands among these unions are not tied to productivity measures. There are also government workers in unions which are not identified as government unions per se; e.g., machinists in a Navy shipyard, maintenance electricians for government installations, etc.

There is another aspect of this growing number of federal, state and local government workers in the unions, and that is that the traditional role of the unions as a spokesman for the lower middle class and lower class members of the population may change somewhat. Unions have traditionally sponsored and backed legislation which had to deal with things other than just the rights of workers. They have been foremost in the support of legislation for Aid to the Aged, Medicare and such social legislation. The current problems of the lower middle class and the lower class are strongly connected to inflationary problems which in turn reflect, among other things, continual rising taxes particularly on the municipal and state levels. The unions are unlikely to be in as strong a position to oppose taxes, however, if large segments of their members are municipal, state and federal employees who demand raises which increase the tax load. The unions prefer to see taxes on large corporations and the upper income groups, but in the area of municipal taxes in non-industrial towns and suburbs most of these fall upon homeowners and the lower middle class automatically get hit.

B. Public Attitudes Towards Jobs, Income, Standard of Living

According to public opinion poll data the top issues among both blue and white collar workers at all levels and skills (but more so among those of higher income), continue to be a feeling of accomplishment, salary, working conditions, etc.

(1) WOULD YOU PLEASE LOOK AT THIS CARD AND TELL ME WHICH ONE THING ON THIS LIST WHICH YOU MOST PREFER IN A JOB?
(2) WHICH COMES NEXT?
(3) WHICH IS THIRD MOST IMPORTANT?
(4) WHICH IS FOURTH MOST IMPORTANT?

WORK IMPORTANT AND GIVES A FEELING OF ACCOMPLISHMENT

	N	%
MOST	296	48
NEXT	131	21
THIRD	73	12
FOURTH	77	12
FIFTH	46	7
	623	100

CHANCES FOR ADVANCEMENT

MOST	121	19
NEXT	213	34
THIRD	151	24
FOURTH	81	13
FIFTH	57	9

HIGH INCOME

MOST	115	18
NEXT	122	20
THIRD	168	27
FOURTH	158	25
FIFTH	60	10
	623	100

NO DANGER OF BEING FIRED

MOST	56	9
NEXT	82	13
THIRD	140	22
FOURTH	163	26
FIFTH	182	29
	623	99

WORKING HOURS ARE SHORT, LOTS OF FREE TIME

MOST	43	7
NEXT	80	13
THIRD	113	18
FOURTH	156	25
FIFTH	231	37
	623	100

BASED ON DATA DERIVED FROM NORC GENERAL SOCIAL SURVEY SPRING 1974

A combination of these issues apparently affects "job satisfaction."

ASKED OF THOSE CURRENTLY EMPLOYED, OR KEEPING HOUSE: "ON THE WHOLE, HOW SATISFIED ARE YOU WITH THE WORK YOU DO--WOULD YOU SAY YOU ARE VERY SATISFIED, MODERATELY SATISFIED, A LITTLE DISSATISFIED, OR VERY DISSATISFIED?"

	N	%
VERY SATISFIED	222	42
MODERATELY SATISFIED	224	42
A LITTLE SATISFIED	55	10
VERY DISSATISFIED	29	5
DON'T KNOW	4	1
	534	100

BASED ON DATA DERIVED FROM NORC GENERAL SOCIAL SURVEY SPRING 1974

Surveys of blue and white collar workers which asked about many specific job factors yielded the following results. A significantly higher percentage said it is "very important" that the "work is interesting" (73.9% in 1969 and 75.7% in 1973), than that "the pay is good" (64.2% in 1969 and 64.1% in 1973). And a significantly higher percentage said that it was "very important" that "promotions are handled fairly" (60.5%--asked only in 1973), than that it was "very important" that "the chances of promotion are good" (54.7% in 1969 and 56.6% in 1973). Yet over 40% of workers do not want to be promoted (42.6% in 1969 and 40.6% in 1973--about 8% because they would have to move); less than half want to see a change in the way promotions are handled and of this group about a third want more emphasis on ability. Less than 1% of the workers are so dissatisfied with their job that they are likely to absent themselves from work for one or more days "just because you didn't feel like going to work"[sic].*

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*Robert P. Quinn and Linda J. Shepard, The 1972-73 Quality of Employment Survey. Descriptive Statistics with Comparison Data from the 1969-1970 Survey of Working Conditions, Survey Research Center, Institute for Social Research The University of Michigan, Ann Arbor, Michigan, pp. 66, 68, 209, 212, 213 and 74.

There is evidence that in some cases seems to substantiate the feelings of many union officials that among American workers interesting work or the feeling of accomplishment do not necessarily require a larger say in the management of a plant ("industrial democracy"), team building of an entire car (rather than the straight production line specialization of labor approach), etc., while in others the team approach seemed welcome among workers.* (Workers of course are often the source of extremely helpful and profitable ideas** and management would be foolish to ignore them, but this volunteering of suggestions by workers is a different process from the workers taking a share in managing the plant.)

The younger workers with low seniority normally have the less desirable, lower paying jobs and traditionally are less satisfied with their jobs than the older workers. In general, however, they "track" the total work force sample over time, showing higher and lower satisfaction when the total sample does. Among a standard sample of the public as a whole, and that portion under thirty, the pattern of the percent of those satisfied with their jobs over about a quarter century looks as follows:

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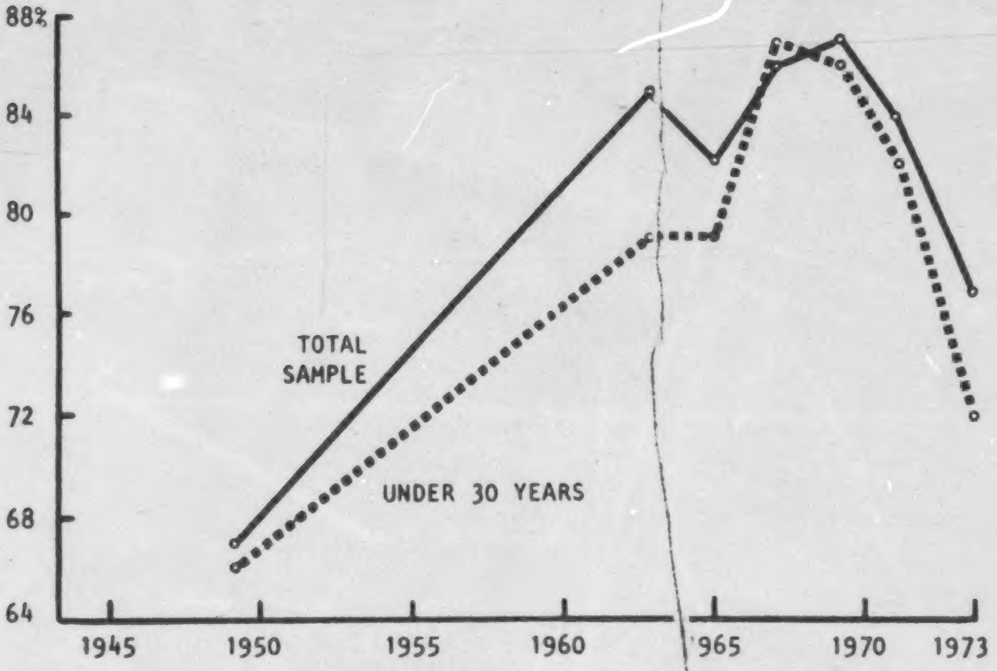
*E.g., the majority of a small group of auto workers sent to Sweden under a Ford Foundation grant turned thumbs down on the Saab "team building" of an entire automobile and other Saab work practices, The New York Times, January 5, 1975, Section IV, p. 11.

In discussing this issue with Irving Bluestone, head of the General Motors Division of the United Auto Workers two years ago, he indicated to the author that he was sympathetic to the idea of industrial democracy but that he had never had a worker request it.

In the case of the Rushing Mining Company of Philipsburg, Pa., however, the "autonomous work concept" with autonomous teams, whose members switch jobs periodically, and wherein teams have responsibility for individual sectors of the mine, seems to have had good effects. There was said to be "increased worker satisfaction, lower absenteeism, and, especially, reduced accident rates...." Commerce Today, U.S. Department of Commerce, July 21, 1975, pp. 5-6.

**Ibid., pp. 6-7.

JOB SATISFACTION



GALLUP OPINION INDEX, APRIL 1973, #94, PP. 22 AND 23

A breakdown by race, income, education and type of work for two surveys in 1971 and one in 1973 follows.

SATISFACTION WITH WORK*

QUESTION: WOULD YOU SAY YOU ARE SATISFIED OR DISSATISFIED WITH THE WORK YOU DO?

% SATISFIED

	BEG. 1971	END 1971	1973
NATIONAL	81%	84%	79%
RACE			
WHITE	84	85	82
NON-WHITE	63	73	55
EDUCATION			
COLLEGE	87	88	82
HIGH SCHOOL	84	84	80
GRADE SCHOOL	77	78	71
INCOME			
$20,000 & OVER	--	--	91
$15,000 - 19,999	91	95	88
$10,000 - 14,999	86	88	85
$ 7,000 - 9,999	82	87	83
$ 5,000 - 6,999	82	82	70
$ 3,000 - 4,999	73	69	66
UNDER $3,000	70	72	54
OCCUPATION			
PROFESSIONAL & BUSINESS	91	93	87
CLERICAL & SALES**	84	86	78
MANUAL WORKERS	83	84	83
NON-LABOR FORCE	--	--	63
FARMERS	86	89	--

*BASED ON DATA DERIVED FROM GALLUP POLLS.

**PRIOR TO 1973 CLERICAL & SALES WAS RECORDED AS WHITE COLLAR.

Such data is interesting and shows a continuing majority of people who report they are satisfied with their job. As indicated in the detailed breakdown, however, this sample of voters includes "non-labor force" respondents, which may tend to skew the results in the direction of those who are dissatisfied. It is not possible from these published data to factor out the opinions of workers per se, but if as one study group did, one takes a group with the highest percentage of their number who work, 21 to 64 year old males (over 90%, work), one finds that from 1963 to 1973 the percent of this group who registered satisfaction with their job varied between 86 and 94%.

It had risen significantly between 1958 and 1963, and between 1971 and 1973 when the previous data for the adult voting population as a whole showed a drop in satisfaction, this group showed no such drop (rather, a slight increase 86 to 88%).*

Among those polled in households whose head fell into one of three categories of job the following satisfaction curves were recorded. (Note those polled presumably included housewives, other unemployed family members and wives and children working on other jobs or going to school.)

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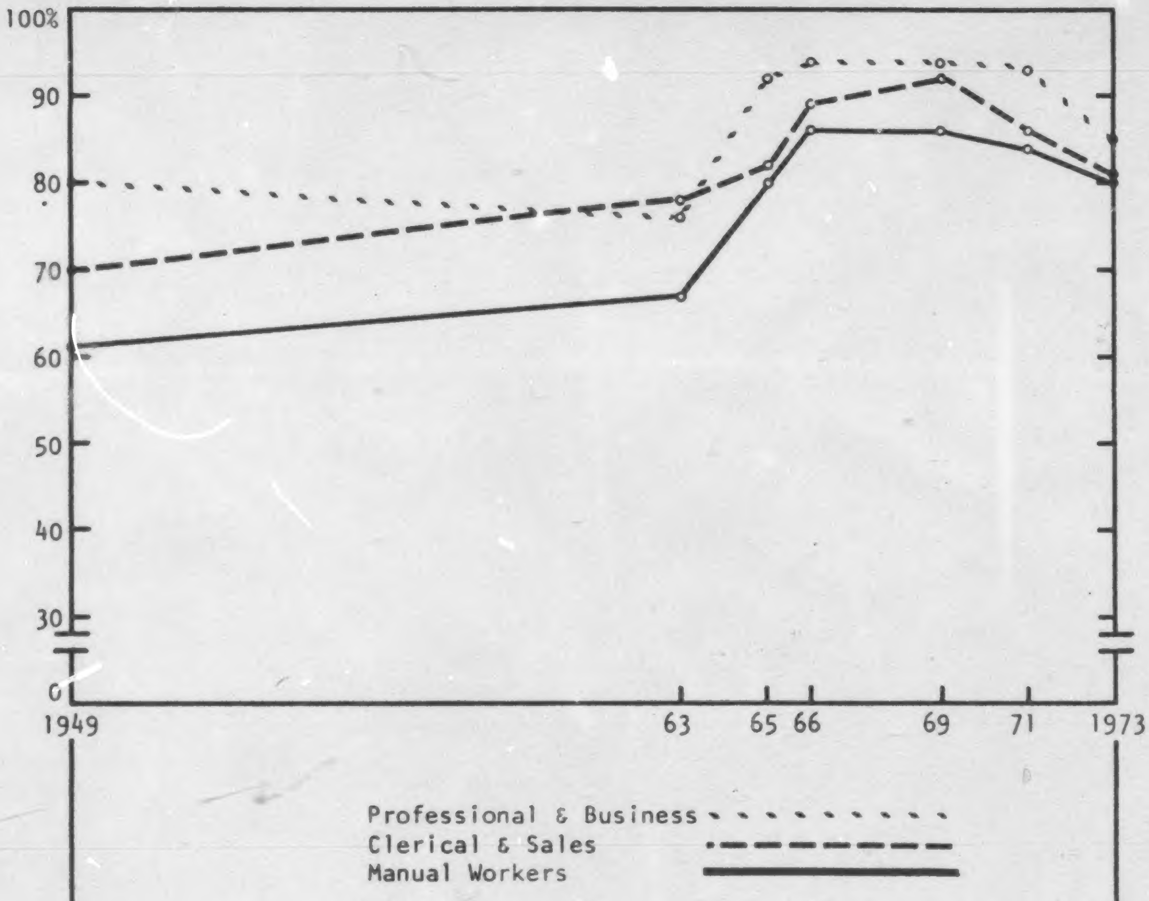
*Graham L. Staines et al., "Is Worker Discontent Rising?," Economic Outlook USA V. 1 No. 3 Summer 1974, pp. 10-11, Survey Research Center, Institute for Social Research, University of Michigan.

JOB SATISFACTION



SOURCE: BASED ON DATA DERIVED FROM GALLUP OPINION INDEX, REPORT NO. 94, APRIL 1973, PP. 19, 20, 22.

Since the early sixties the gap in job satisfaction between clerical and sales families and professional and business families has been drastically reduced, and the gap between clerical and sales and manual worker families has virtually disappeared. Even the traditional satisfaction gap between professional and business families and manual worker families has shrunken greatly.

The following charts may give some insight into which factors weigh most among the satisfied and dissatisfied.

JOB SATISFACTION - REASONS SATISFIED

WAGE EARNERS, NATIONWIDE
1973

1.	ENJOY MY WORK	39%
2.	GOOD PAY	17
3.	HELPS SOCIETY	15
4.	LIKE PEOPLE WORK WITH	11
5.	INTERESTING WORK	8
6.	GOOD WORKING CONDITIONS	7
7.	CHALLENGING JOB	5

SOURCE: GALLUP OPINION INDEX, APRIL 1973, P. 10.

JOB DISSATISFACTION - REASONS DISSATISFIED

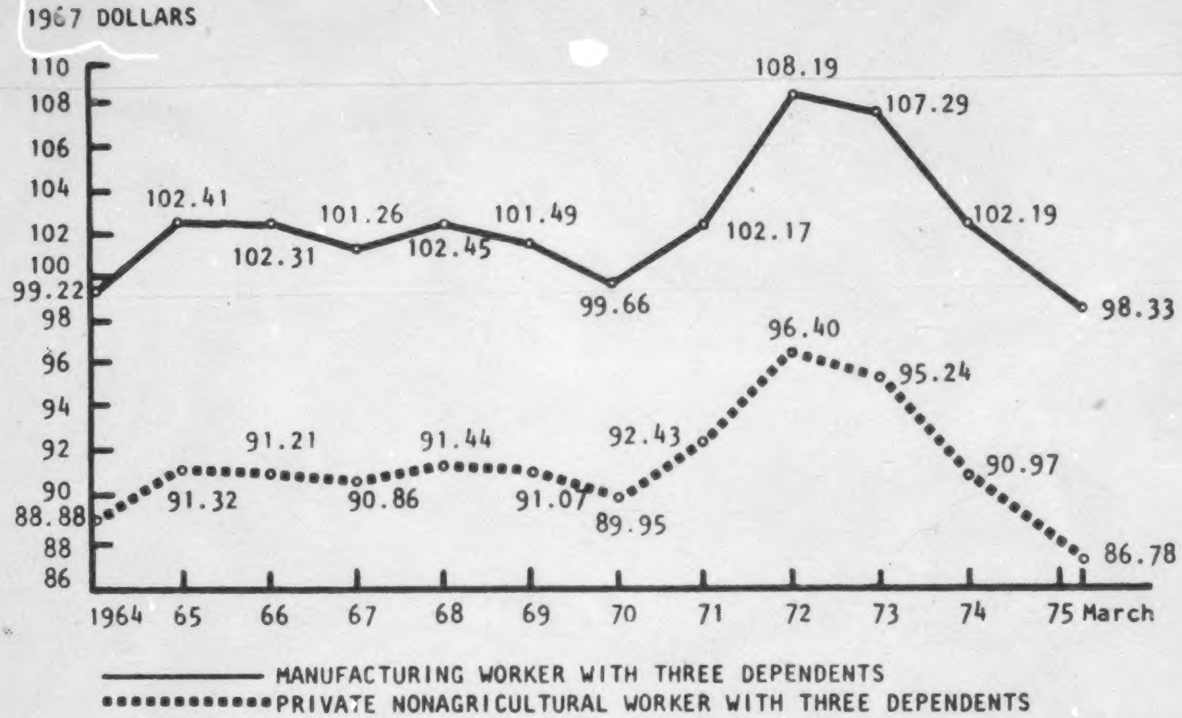
WAGE EARNERS, NATIONWIDE
1973

1.	POOR WAGES	34%
2.	BORING JOB	20
3.	NOT DOING WHAT I WANT TO	17
4.	HAVE TO WORK TOO HARD	10
5.	BEING HELD BACK	9
6.	HOURS TOO LONG	8
7.	NOT MANY BENEFITS	5

SOURCE: GALLUP OPINION INDEX, APRIL 1973, P. 13.

In recent years inflationary problems have been so acute that it is difficult to sort out effects of job satisfaction, income satisfaction, standard of living satisfaction, etc., on responses to questions on "work satisfaction" submitted to the average American. As the following graph indicates the recession of 1970 just about wiped out the small real dollar gains wage earners had made in 1965 and had more or less clung to through 1969. After 1970 the economy "took off" and by 1972 his real income reached a new high. From then till the first quarter of 1975, however, it has been all bad news and in March of 1975 the average worker saw his earnings at a level which, if it were to continue for the year, would again put him below his 1964 level.

SPENDABLE AVERAGE WEEKLY EARNINGS 1964-1975
(CONSTANT 1967 DOLLARS)



BASED ON DATA FROM MONTHLY LABOR REVIEW, MARCH 1974, P. 95; APRIL 1975, P. 106; MAY 1975, P. 98

Not surprisingly there was a drop in satisfaction with standard of living between 1971 and 1973 and even a drop in satisfaction with income among workers in most occupations. (This latter should be less likely because the impact is less obvious--current dollars in paychecks rose though buying power was actually down.)

SATISFACTION WITH STANDARD OF LIVING*

QUESTION: WOULD YOU SAY YOU ARE SATISFIED OR DISSATISFIED WITH YOUR STANDARD OF LIVING?

% SATISFIED

	END 1971	1973
NATIONAL	78%	71%
RACE		
WHITE	80	74
NON-WHITE	53	48
EDUCATION		
COLLEGE	85	77
HIGH SCHOOL	76	60
GRADE SCHOOL	72	64
INCOME		
$20,000 & OVER	--	89
$15,000 - 19,999	66	77
$10,000 - 14,999	65	73
$ 7,000 - 9,999	57	70
$ 5,000 - 6,999	53	66
$ 3,000 - 4,999	55	54
UNDER $3,000	49	60
OCCUPATION		
PROFESSIONAL & BUSINESS	86	79
CLERICAL & SALES**	82	64
MANUAL WORKERS	72	69
NON-LABOR FORCE	--	66
FARMERS	79	--

*BASED ON DATA DERIVED FROM GALLUP OPINION INDEX.

**PRIOR TO 1973 CLERICAL & SALES WAS RECORDED AS WHITE COLLAR

SATISFACTION WITH INCOME*

QUESTION: WOULD YOU SAY YOU ARE SATISFIED OR DISSATISFIED WITH YOUR FAMILY INCOME?

% SATISFIED

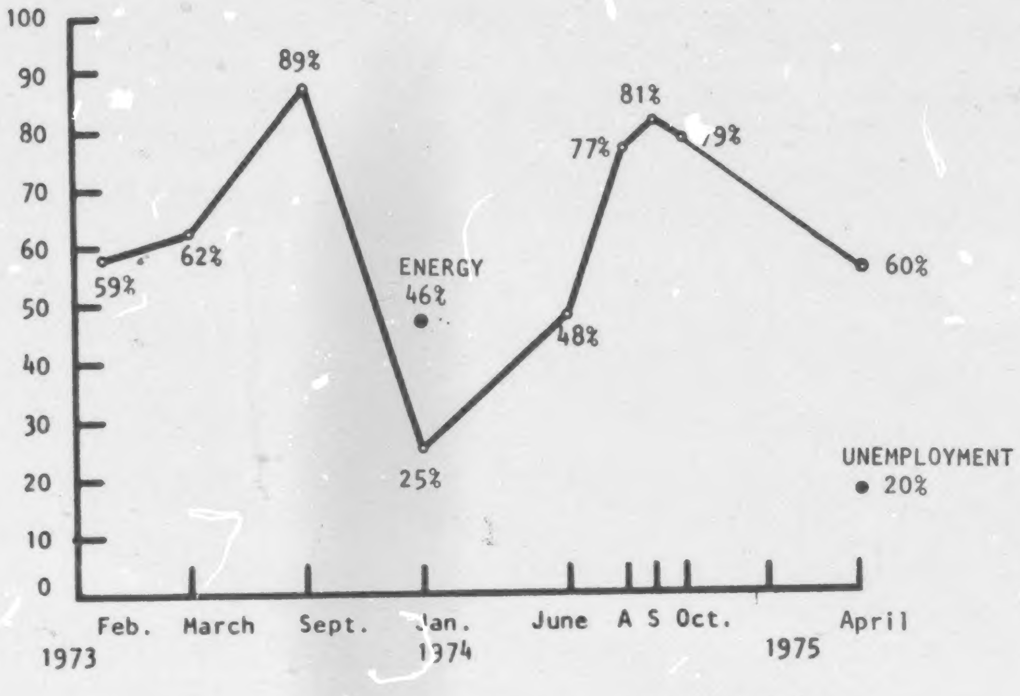
	1971	1973
NATIONAL	62%	61%
RACE		
WHITE	65	64
NON-WHITE	41	38
EDUCATION		
COLLEGE	70	66
HIGH SCHOOL	59	59
GRADE SCHOOL	63	59
INCOME		
$20,000 & OVER	--	82
$15,000 - 19,999	79	73
$10,000 - 14,999	65	69
$ 7,000 - 9,999	60	51
$ 5,000 - 6,999	57	45
$ 3,000 - 4,999	56	49
UNDER $3,000	54	44
OCCUPATION		
PROFESSIONAL & BUSINESS	76	70
CLERICAL & SALES**	60	50
MANUAL WORKERS	58	59
NON-LABOR FORCE	--	60
FARMERS	60	--

*BASED ON DATA DERIVED FROM GALLUP OPINION INDEX.

**PRIOR TO 1973 CLERICAL & SALES WAS RECORDED AS WHITE COLLAR

Inflation was said to be causing a rising feeling of inequity among certain workers.* With the exception of the depths of the fuel shortage following the Yom Kippur War, in public opinion surveys since 1973 the most important problem facing the nation has consistently been said to be inflation. Recently 20% of those polled listed unemployment as the most important problem.

MOST IMPORTANT PROBLEM
(INFLATION)



GALLUP OPINION INDEX, OCTOBER 1973, FEBRUARY 1974, JUNE 1974, OCTOBER 1974, APRIL 1975.

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*Burkhard Strumpel, "Inflation, Discontent and Distributive Justice," Economic Outlook USA, V. 1, No. 3, Summer 1974, p. 12. Survey Research Center, Institute for Social Research, University of Michigan.

The employment and economic outlook of the average man became increasingly pessimistic throughout 1974 but by early 1975 his economic expectations had begun to improve.

EMPLOYMENT OUTLOOK

QUESTION: WHICH OF THESE DO YOU THINK IS LIKELY TO BE TRUE OF [1973, 1974, 1975]: A YEAR OF FULL EMPLOYMENT OR A YEAR OF RISING UNEMPLOYMENT?

	FULL EMPLOYMENT	RISING UNEMPLOYMENT	DON'T KNOW
1973	42%	%43	15%
1974	8	84	8
1975	6	87	7

GALLUP OPINION INDEX, JANUARY 1974 AND JANUARY 1975

ECONOMIC OUTLOOK

QUESTION: "WHICH OF THESE DO YOU THINK IS LIKELY TO BE TRUE OF 1974: A YEAR OF ECONOMIC PROSPERITY OR A YEAR OF ECONOMIC DIFFICULTY?"

	PROSPERITY	DIFFICULTY	DON'T KNOW
1973	40%	47%	13%
1974	7	85	8

GALLUP OPINION INDEX, JANUARY 1974

"NOW I'M GOING TO READ SEVERAL MORE STATEMENTS. SOME PEOPLE AGREE WITH A STATEMENT, OTHERS DISAGREE. AS I READ EACH ONE, TELL ME WHETHER YOU MORE OR LESS AGREE WITH IT, OR MORE OR LESS DISAGREE."

IN SPITE OF WHAT PEOPLE SAY, THE LOT (SITUATION, CONDITION) OF THE AVERAGE MAN IS GETTING WORSE, NOT BETTER.

	N	%
AGREE	414	65
DISAGREE	205	32
DON'T KNOW	16	3
	635	100

BASED ON DATA DERIVED FROM NORC GENERAL SOCIAL SURVEY JULY 1974

ECONOMIC EXPECTATIONS

	BETTER	WORSE	STAY SAME	NO OPINION
AUG. 1974	13%	68%	15%	4%
SEPT.	15	69	11	5
NOV.	16	71	10	3
LATEST	30	56	10	4

GALLUP OPINION INDEX, MARCH 1975, P. 4

This change of economic expectations in early 1975 is a very interesting phenomenon in light of the sharp upturn in the government's economic indicators shortly thereafter. One wonders if this is yet another demonstration of the average man's amazing "feel" for domestic events,[*] or if his changed attitude caused some of the indicators to rise.

As of January 1975, the weight of opinion still favored curbing inflation to fighting unemployment. Of course, this opinion was held most strongly by members of the work force, but manual laborers leaned toward the non-labor force on this issue.

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[*] He oftentimes is far ahead of the "experts" and news media on all kinds of domestic issues, see Armbruster, Frank, The Forgotten Americans (New Rochelle: Arlington House), 1972, p. 19, (see John P. Robinson, et al., "Economic and Welfare Issues," Measures of Political Attitudes, [Ann Arbor, Mich.: University of Michigan Survey Research Center, Institute for Social Research], 1969, p. 34).

ECONOMIC PRIORITIES

QUESTION: WHICH DO YOU THINK THE FEDERAL GOVERNMENT SHOULD GIVE GREATER ATTENTION TO--TRYING TO CURB INFLATION OR TRYING TO REDUCE UNEMPLOYMENT?

	JANUARY 10-15, 1975		
	CURB INFLATION	REDUCE UNEMPLOYMENT	NO OPINION
NATIONAL	46%	44%	10%
OCCUPATION			
PROFESSIONAL & BUSINESS	58	35	7
CLERICAL & SALES	52	39	9
MANUAL WORKERS	43	48	9
NON-LABOR FORCE	33	51	16

GALLUP OPINION INDEX, MARCH 1975, P. 2

C. Worker Family Attitudes and Preferences, on Money, Housing, Etc.

Obviously there is a correlation between the worker's view of himself and what he is accomplishing and his role in the scheme of things. There is also a correlation between personality types and how they respond in public opinion surveys on questions relating to their lot in life. We have seen relationships between reactions to inflation and unemployment based on salary levels and type of work. The following chart shows responses to several questions on various types of satisfactions based on a 1971 survey of a scientific sample of the voting population. The responses are listed as relating to degrees of job satisfaction.

JOB SATISFACTION RELATED TO OTHER SATISFACTIONS

1973

	THOSE SATISFIED WITH JOB	THOSE DISSATISFIED WITH JOB	POINT DIFFERENCE
SATISFACTION WITH INCOME...........	68%	34%	34%
SATISFIED WITH QUALITY OF LIFE..	79	48	31
SATISFIED WITH HOUSING..........	77	51	26
SATISFIED WITH STANDARD OF LIVING...........	81	55	26
SATISFIED WITH FUTURE FACING YOU AND YOUR FAMILY..	61	36	25
SATISFIED WITH EDUCATION CHILDREN ARE RECEIVING....	62	45	17
SATISFIED WITH WAY NATION IS BEING GOVERNED.........	39	22	17

BASED ON 1971 SURVEYS FROM GALLUP OPINION INDEX, APRIL 1973, P. 25.

Clearly in 1971 the amount of money one had had a significant correlation with one's satisfaction with his job. It also seems clear that there is a positive correlation between the increase in average family income over time up until 1972 and the average satisfaction index. In 1952 we had only 21% of families in the over $10,000 bracket (in 1972 dollars), in 1972 fully 56% of families fell into that category. Between 1952 and 1962 families earning over $15,000 per year increased by 46.1% (from 13% to 18% of all families) while those earning $10-15,000 increased by 162.5% (from 8% to 21%). But between 1962 and 1972 the families making over $15,000 increased from by 66 2/3% (from 18% to 30%) while those in the $10-15,000 bracket increased by only 23.8% (from 21% to 26%). Those in the $7-10,000, $4-7,000 and Under $4,000 brackets dropped respectively from 27%, 26%, and 26% in 1952 to 17%, 15% and 12% in 1972.*

As we have seen, however, apparently money, besides not being the most important consideration in evaluating jobs, also rates lower than other things in the day-to-day existence of the average man.

"NOW I'M GOING TO READ YOU SEVERAL MORE STATEMENTS. SOME PEOPLE AGREE WITH A STATEMENT, OTHERS DISAGREE. AS I READ EACH ONE, TELL ME WHETHER YOU MORE OR LESS AGREE WITH IT, OR MORE OR LESS DISAGREE."

NEXT TO HEALTH, MONEY IS THE MOST IMPORTANT THING IN LIFE.

	N	%
AGREE	187	29
DISAGREE	445	70
DON'T KNOW	4	1
	636	100

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*Current Population Reports, P. 60. No. 90.

Furthermore, there continues to be a feeling of morality connected with making money.

TO MAKE MONEY, THERE ARE NO RIGHT OR WRONG WAYS ANY MORE, ONLY EASY WAYS AND HARD WAYS.

	N	%
AGREE	159	25
DISAGREE	459	72
DON'T KNOW	16	3
	634	100

On the other hand the lifestyle of the average American began to be affected by the inflation (exacerbated by the energy crisis and increase in fuel costs), which apparently had an effect on the worker's attitude on many issues. The average worker's wife found her budget squeezed and cuts in family spending were made, durable goods purchases were cut back (particularly automobiles), powdered milk came into use again (although wives mixed it with whole milk at first to gradually wean the kids away from the more expensive beverage), meatless meals increased, etc. The use of cars was cut back. Until the recent recession wives and children tried to get part or full time jobs. More and more children were farmed out during the day and tended by tired, irritable mothers at night and overworked parents on weekends (just Sunday for those moonlighting on Saturday).

As the "stagflation" took hold the battle became harder, jobs for wives and kids were fewer, money for increasingly expensive essential items (including gasoline) became scarcer. More families found themselves housebound on weekends, there was less contact with the extended family (grandparents, cousins, uncles, aunts) and friends, leisure activities were cut back and the "good life" began to fade.

The fundamental lifestyle of the workers is now being affected and one must take this into account when satisfaction indices are considered. Today 42% of the population lives in "suburbia," 26% lives in rural areas. Furthermore, despite the recent general enlargement of standard metropolitan areas (SMAs--cities or pairs of cities and their suburbs), the most recent sampling has for the first time shown a greater growth in non-SMA than SMA areas. The greatest social activity of these people is visiting families and friends. The greatest recreational activities are family and outdoor type pastimes: 75 million picnickers, 60 million sightseers, 54 million non-pool swimmers, 54 million pleasure drivers, 38 million fishermen, 17 million hunters, 12 million golfers, 35 million participants in other outdoor sports.* Such social and recreational activities require gasoline and some cash for other expenses but they are important to family life and lifestyles in general. The following survey gives some indication of the priorities the average American puts on his off-the-job activities.

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*U.S. Bureau of the Census, Statistical Abstract of the United States: 1974 (Wash.: G.P.O., 1974), pp. 210-213.

"FOR EACH AREA OF LIFE I AM GOING TO NAME, TELL ME THE NUMBER THAT SHOWS HOW MUCH SATISFACTION YOU GET FROM THAT AREA."

	N	%
YOUR FAMILY LIFE		
A VERY GREAT DEAL	259	41
A GREAT DEAL	220	35
QUITE A BIT	67	11
A FAIR AMOUNT	49	8
SOME	16	3
A LITTLE	14	2
NONE	10	2
DON'T KNOW	1	0
	636	102
YOUR FRIENDSHIPS		
A VERY GREAT DEAL	182	29
A GREAT DEAL	254	40
QUITE A BIT	111	17
A FAIR AMOUNT	55	9
SOME	17	3
A LITTLE	12	2
NONE	5	1
	636	101
YOUR HEALTH AND PHYSICAL CONDITION		
A VERY GREAT DEAL	162	25
A GREAT DEAL	211	33
QUITE A BIT	91	14
A FAIR AMOUNT	110	17
SOME	27	4
A LITTLE	22	3
NONE	13	2
	636	98
YOUR NON-WORKING ACTIVITIES--HOBBIES AND SO ON.		
A VERY GREAT DEAL	133	21
A GREAT DEAL	193	30
QUITE A BIT	111	17
A FAIR AMOUNT	86	14
SOME	42	7
A LITTLE	33	5
NONE	36	6
DON'T KNOW	2	0
	636	100
THE CITY OR PLACE YOU LIVE IN		
A VERY GREAT DEAL	119	19
A GREAT DEAL	144	23
QUITE A BIT	112	18
A FAIR AMOUNT	177	28
SOME	43	7
A LITTLE	28	4
NONE	13	2
	636	101

BASED ON DATA DERIVED FROM NORC GENERAL SOCIAL SURVEY JULY 1974

III. The Middle-Class--Work Force Relationship

Though we have been discussing the workers and the labor force it would be wrong to speak of people in this category as though they were somehow divorced, from and do not affect or are not affected by the middle class. First of all, as we have seen, the majority of families now make over $10,000 a year. The following breakdown of opinion of how people rate themselves on salary level alone indicated that over 70% feel they are at or above the mid-point in family income.

"COMPARED WITH AMERICAN FAMILIES IN GENERAL, WOULD YOU SAY YOUR FAMILY INCOME IS--FAR BELOW AVERAGE, BELOW AVERAGE, OR FAR ABOVE AVERAGE?"

	N	%
FAR BELOW AVERAGE	23	4
BELOW AVERAGE	164	26
AVERAGE	391	62
ABOVE AVERAGE	50	8
FAR ABOVE AVERAGE	4	1
DON'T KNOW	3	0
	635	101

BASED ON DATA DERIVED FROM NORC GENERAL SOCIAL SURVEY JULY 1974

Many people in the income bracket below $7,000 per year also consider themselves middle class (probably including many young people "on the way up" as well as many older couples, pensioners), and almost certainly the aspirations of most in the lower income groups is for middle class status. In fact, lower middle class people normally strive for upper middle class status, and upper middle class people often strive for upper class status.

These terms are obviously not simply tied to income, many in almost genteel poverty status (e.g., professors at small colleges) would still consider themselves middle or even upper class. Income, however, does give one measurement of status and it generally correlates positively with education and other non-monetary measures of status. Furthermore, improving one's income has traditionally been one of the best active measures a person could take to help acquire for himself and children middle class status.

Of course, in times of recession those at the bottom are likely to suffer compared to the situation when the economy as a whole is on the upswing, even though much of the legislation in Congress and tax dollars are directed toward alleviating conditions of the underprivileged "hard-core" unemployed. In other words, a trickle down principle does work, but in the case of the work force today, some say something else is happening which perhaps should not be overlooked. They claim that the middle class is being squeezed by spiraling taxes and inflation to the point where the rewards for efforts simply aren't that obvious to the lower-income groups. In other words, according to this rather hostile appraisal, when one looks at his neighbor and his wife who work so hard to reach the middle-income bracket apparently only to find their money taken away from them in taxes, while the things the taxes are spent on apparently are not available to them or their children, one is perhaps less likely to strive to reach that "middle class" bracket. This means that some of the work incentive for the lower-income groups and the hard-core unemployed may eventually be removed. These critics claim there may come a time when employees may ask themselves: Why should one work all his life to find himself in the position where he can do no more for his children than the hard-core unemployed can? That is, when the middle income family can no longer afford to send their children to college, yet they will not qualify for the federally and state financed scholarships and low-interest loans under which the poor will send their children to college. Why, they ask, should a hard-core unemployed person strive to get into the lower middle-income category where he cannot afford a fee his lawyer demands to protect his interests when, according to these critics, by remaining in the "underprivileged" class, he can apply for and will receive free legal aid to defend his rights. Why should a man strive for an income when,after he pays all his taxes and other expenses that will hit the lower middle-class groups, he will not be able to afford to buy his children a new winter coat every second year which children on welfare receive?

This is an excessively pessimistic outlook--at the moment. If we continue to reduce the benefits to the middle class, however, we could eventually reduce the incentive of the lower class to strive for that position. And those we discourage in that lower class will be the very ones we need to replenish the skills, intelligence and ingenuity of the middle class. If this should occur, and it could occur if the current trends continue, we may find a weaker middle class and then an even more subtle difficulty may arise. It is from the middle class that the upper class receives its rejuvenating infusions of intelligence and skills; but as the middle class no longer draws the highly skilled from the lower class, the middle class itself becomes incapable of providing any more of the necessary infusion into the upper class than it can generate from its own members. Traditionally, the upward mobility from the lower through the middle to the upper classes in this country has been the source of many of the leaders who have been so successful and caused the country to be successful. In other words, some potential self-made men who were so admired, at least until recently in this country, may eventually not be as encouraged as they once were to drive for the "better life" if that life is becoming less and less attractive.

Of course, there is the continuing incentive to get out of the city into suburban areas, but the incentive is now generated by negative effects to a large extent rather than the purely positive effects that people used to consider when they made such a move, or saved their money to make such a move. People move out of cities today because they are dangerous, because the schools are so bad the children can't read. They move into suburban areas where the schools are not that much better, but where it is somewhat safer to walk the streets. Middle-class families send their children to private schools, not because the private schools are any better nor often even as good as the public schools were that the parents attended, but because the probability of the child being molested in the suburban private school is less than in many suburban public schools. He is more likely to be able to use the restrooms without being harassed or even suffering some physical injury. The probability of his contacting people who use drugs is less. The education he receives is somewhat better but normally leaves something to be desired even in the private schools. In other words, people are still trying to get into "middle class" areas but not necessarily because they are expecting to receive traditional middle-class benefits from it. These people (including many of those who have their children in private schools), for example, often have to teach their children reading and basic mathematics themselves at home. The idea that once was prevalent that a person could move into a "good" school area in a middle-class district and then feel secure that his children would receive a good education is no longer valid.* This moving to the area of a good school, of course, was at one time one of the prime reasons for real estate values being what they were in certain districts. The home values still hold up in some suburban areas but often primarily because of the extreme unpleasantness of other areas.

The one thing the middle-class person still retains which is an advantage over the lower class is this relatively pleasant house, although the milieu of the neighborhoods, even in the middle class and upper middle class sections, has changed. The days when people in such areas could leave their homes without locking the doors are in most cases gone. We still have some rural areas and areas around small cities where this is possible, but in suburban areas, where 42 percent of our population now lives, a population made up not only of the white-collar workers but which contains well over a third of the blue-collar workers, burglaries are on the increase and vandalism is often a real problem.

Attitudes Toward Productivity

The feedback from this reduction of traditional incentives for upward mobility could eventually be a significant long-term reduction in the rate of increase, or perhaps even a drop in productivity. More likely is an increase in productivity which is not commensurate with the capital investment in new plants and equipment. There is some evidence that, to a degree, this is already occurring. The following 1973 survey indicates that half of those polled felt that "American workers" including themselves could be more productive.

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*See The U.S. Primary and Secondary Educational Process, by Frank E. Armbruster, with contributions by Paul J. Bracken and the assistance of Joyce Lind, pp. 42, 43, 58 and 59.

PRODUCTIVITY

QUESTION: "SOME PERSONS CLAIM THAT AMERICAN WORKERS ARE NOT TURNING OUT AS MUCH WORK EACH DAY AS THEY SHOULD. DO YOU AGREE OR DISAGREE WITH THIS?"

	PERCENT AGREEING
NATIONAL	51%
MEN	57
WOMEN	47
COLLEGE	58
HIGH SCHOOL	51
GRADE SCHOOL	42
UNDER 30 YEARS	45
30-49 YEARS	53
50 & OVER	54
PROFESSIONAL & BUSINESS	60
CLERICAL & SALES	63
MANUAL WORKERS	45

SOURCE: "JOB SATISFACTION AND PRODUCTIVITY," GALLUP OPINION INDEX, APRIL, 1973, REPORT NO. 94, P. 26.

PRODUCTIVITY--SELF APPRAISAL

QUESTION: "IN YOUR OWN CASE, COULD YOU ACCOMPLISH MORE EACH DAY IF YOU TRIED?"

PERCENT SAYING YES

NATIONAL	50%
MEN	53
WOMEN	40
COLLEGE	59
HIGH SCHOOL	50
GRADE SCHOOL	39
UNDER 30 YEARS	61
30-49 YEARS	56
50 & OVER	39
PROFESSIONAL & BUSINESS	61
CLERICAL & SALES	61
MANUAL WORKERS	46

SOURCE: "JOB SATISFACTION AND PRODUCTIVITY," *GALLUP OPINION INDEX*, APRIL, 1973, REPORT NO. 94, P. 27.

More college people felt that they could accomplish more than high school people, and only somewhat more than one in three people with only a grade school education felt that they could accomplish more each day. Manual laborers registered the lowest agreement that they could accomplish more. Most interesting is the variation in the under 30s and over 50s between those agreeing that "American workers" could produce more and that they themselves could produce more. Only 45% of the under 30s felt that "American workers" could produce more but 61% of them felt they themselves could produce more. Among the 50s and over, 54% felt that workers as a whole could produce more but only 39% felt they themselves could produce more. We may be seeing a true assessment of the situation voiced by two groups of workers looking at each other.

With all this discussion of under activity, however, it should be noted that only one in five wage earners felt that his productivity could be raised by more than 20%, and of those who did the largest group was among those very dissatisfied with their job.

PRODUCTIVITY

QUESTION: "HOW MUCH MORE COULD YOU ACCOMPLISH EACH DAY IF YOU TRIED?" (ASKED OF THOSE WHO SAY THEY COULD ACCOMPLISH MORE.)

--BASED ON WAGE EARNERS--

TEN PERCENT	15%
TWENTY PERCENT	15
THIRTY PERCENT	7
FORTY PERCENT	2
FIFTY PERCENT	5
OVER FIFTY PERCENT	3
DON'T KNOW/NO ANSWER	3
	50%

SOURCE: "JOB SATISFACTION AND PRODUCTIVITY," GALLUP OPINION INDEX, APRIL, 1973, REPORT NO. 94, P. 28.

RELATIONSHIP BETWEEN JOB SATISFACTION AND PRODUCTIVITY

	PERCENT SAYING COULD ACCOMPLISH 30% OR MORE PER DAY
THOSE "VERY SATISFIED" WITH JOB	22%
THOSE "VERY DISSATISFIED" WITH JOB	38

GALLUP OPINION INDEX, APRIL 1973, P. 10.

Lack of incentive was the number one reason among workers, particularly among younger workers, for not trying to accomplish more.

PRODUCTIVITY--WHY NOT TRY TO ACCOMPLISH MORE?

--WAGE EARNERS, NATIONWIDE--

1.	NO INCENTIVE	6%
2.	I DON'T PUSH MYSELF	5
3.	I LACK INITIATIVE	4
	TOO MANY THINGS TO DO AT ONCE	4
4.	DON'T GET PAID FOR ACCOMPLISHING MORE	3
	NO ONE ELSE DOES--WHY SHOULD I?	3
	DISINTERESTED IN WORK	3
	GET TOO TIRED	3
	HEALTH PROBLEMS LIMIT ME	3

SOURCE: "JOB SATISFACTION AND PRODUCTIVITY," GALLUP OPINION INDEX, APRIL, 1973, REPORT NO. 94, P. 29.

PRODUCTIVITY--WHY NOT TRY TO ACCOMPLISH MORE?

--WAGE EARNERS, 18-29 YEARS

1.	NO INCENTIVE	11%
2.	I LACK INITIATIVE	8
3.	DISINTERESTED IN WORK	6
	DON'T PUSH MYSELF	6
4.	TOO MANY THINGS TO DO AT ONCE	5
	GET TOO TIRED	5

SOURCE: "JOB SATISFACTION AND PRODUCTIVITY," GALLUP OPINION INDEX, APRIL, 1973, REPORT NO. 94, P. 30.

There may be some underlying reasons for "not pushing" one's self which should be examined. For example, those who say they "get too tired" really are probably working at what should be considered capacity over the long run. After all if a man wears himself out on Monday and Tuesday by "accomplishing more," by Wednesday he will surely be accomplishing less, he may even become less alert and as a result be injured. On the other hand, the choice, "don't get paid for accomplishing more" may to some degree reflect the following attitudes.

ATTITUDES ABOUT PRODUCTIVITY

> "...NEARLY 7 IN 10...FEEL THAT STOCKHOLDERS AND MANAGEMENT WOULD BENEFIT 'A LOT' FROM INCREASED PRODUCTIVITY" WHILE "SCARCELY MORE THAN ONE IN 3...SEE THE SAME BENEFIT FOR THE COUNTRY AS A WHOLE."
>
> THE HARRIS SURVEY, FEBRUARY 19, 1973

IV. The Blue Collar Worker's World

There seems to be a difference in attitude and even satisfaction between different types of workers, but the differences may not be as great as some seem to have assumed. Manual laborers apparently are likely to get more tired than white collar workers, as we have seen, but according to the following survey results, skilled manual workers who are "very satisfied" with their jobs are almost as numerous as those in the "professional and business" category, and are about equal to those among workers with college educations.

PROFILE OF THE WAGE EARNER VERY SATISFIED WITH HIS JOB

NATIONAL	48%
WHITES	50
NON-WHITES	26
COLLEGE	53
HIGH SCHOOL	47
GRADE SCHOOL	43
18-29 YEARS	41
30-49 YEARS	53
50 & OVER	47
PROFESSIONAL & BUSINESS	55
CLERICAL & SALES	51
MANUAL LABOR	48
SKILLED	52
UNSKILLED	45
$15,000 & OVER	55
$10,000 - $14,999	47
$ 7,000 - $ 9,999	59
$ 5,000 - $ 6,999	47
$ 3,000 - $ 4,999	37
UNDER $3,000	26

SOURCE: GALLUP OPINION INDEX, REPORT NO. 94, APRIL 1973, P. 12.

Much has been written about work and the workers recently, but there is an aspect to work and the worker's image of himself which I believe lies behind some of his responses to survey questions, and which I feel is too infrequently discussed. When it is, it often is referred to in simplistic terms of "machismo" and usually is applied to minority workers. The fact is that the very jobs which seem to visiting sociologists to be so "dehumanizing"--noisy assembly line jobs in heavy industrial plants, steel mill work, mining coal in narrow chambers, being one of an army of "ants" doing a dull job for a large company, etc.--are often performed in an environment that has traditionally been thought to make up a "man's world," with all that this implies, including camaraderie, etc. No worker wants a job to be more noisy, dirty, tiring or dangerous than it need be, and again traditionally, through their unions, workers have fought to improve working conditions.* Furthermore, we have a very mobile work force and, except in times of depression, workers who find a job distasteful will change jobs to those more suited to their skills and tastes. Nevertheless, some men are simply not emotionally or otherwise equipped to become skilled journeymen in a trade, so their productivity and pay scale often depend on the high productivity of the overall operation itself, of which they may perform only a small part, e.g., automobile production lines, high capacity mining operations, etc.** (One should add here that the "simple" jobs these men perform are usually not as simple as they seem.)

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*Women traditionally hated to see their sons or husbands go to work in coal mines because the conventional wisdom held (with considerable supporting evidence) that "once they go in they never come out." There apparently was some attraction to mining, perhaps the "man's world" aspect down in the mines.

**The author, when a blue collar worker, simply could not stand to work indoors or hold a job which required him to work day after day in one spot. He worked for railroads in several capacities, was bitten by the "railroad bug" and ended his days of blue collar work as a locomotive fireman on fast freights, a job which required long hours at pay below that of many skilled artisans in industry.

This is all honorable, necessary work and one should be slow to denigrate these jobs, for we thus denigrate the men who continue to hold them,, usually fathers who do not shirk the responsibility to support families. We must not forget the most common remark heard of old about such work, "somebody has to do it," and the men who did the work were respected because of the hardships they endured.[*] They were looked on by the community and their families as men who made personal sacrifices for the good of their wives and children, as indeed they do. Furthermore, such work can be essential. We have heard in recent years about men who "just tighten bolts" on an automobile assembly line. If these bolts are up under the body section just behind the firewall of an automobile, and they are not tightened properly, a leaky windshield could result which can be very difficult and expensive to fix once the car has been completely assembled. Bad work on brake systems, steering and suspension systems, and even the power trains of cars can have results which obviously are potentially hazardous. "Repetitious, dull, uninspiring" work in telephone centrals, such as just connecting circuits all day, if done badly can cause almost chaotic conditions in our large cities.

In any event, there is an attitude that workers have about themselves and their jobs which is hard to measure, particularly for an outsider, even on the most "menial, dehumanizing" jobs. Workers' feelings as men, in the sense of shouldering responsibility, tolerating unavoidable discomforts, hardships (and even danger) on the job are important to their feelings about their jobs. (We are told such masculine identity on the part of the father in the family is important in raising children, too.) What is more, from the point of view of the importance of those jobs to corporations and their products--and even to "building America"--they are as likely to be underrated by outsiders as overrated by the workers.

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[*] Combat soldiers have the worst job in the world which "has to be done," and traditionally avoiding such efforts was not looked on with approval. On the contrary it was the men who did the job who were respected.

Workmen, however, are reluctant to discuss such intangible rewards as recognition for their efforts. Furthermore, they are quite reluctant to display sentimentality.* Any discussions of the feelings of confidence, status as a man, etc., that their job imparts to them will be slow in being disclosed, particularly to an outsider. In fact, compared to his counterparts elsewhere the highly individualistic, blue collar worker in America lives in a unique environment. The same can be said for lower level white collar workers, most from a blue collar family background. Certain things are just "known," though seldom if ever mentioned, and people are expected to know them, and know that the worker expects them to be known.

It is perhaps for this reason that the conclusion that certain types of "industrial democracy" practiced in Sweden, Holland, etc., (where workers acted in teams in plants and made management decisions for the teams), would be transferred here** was not necessarily indicative of the feelings of American workers themselves.* Workers don't necessarily think like sociologists or columnists for "good" newspapers, because the milieu in which they exist is different, in some ways more complex. Furthermore, the worker in this country lives in a more sophisticated environment than his counterpart abroad, and in some ways one which is more civilized than that of some professionals and academicians in the U.S. An American, any American, really believes the society is egalitarian, but according to very sophisticated definitions. The American workingman believes the society to be classless, yet understands the differences in types of people according to intelligence, skills, education, amount of information they possess, degree of judgment they display, etc. Despite the fact that his average formal IQ is likely to be below that of academicians and professionals, he has no trouble functioning under these conditions and knows what is acceptable and what is not when he deals with each category of person, without benefit of the formal class difference signs so clearly displayed abroad. (In Europe languages even use the formal and informal second person pronoun, with the exception of England where accent and other outward signs clearly delineate class.) Among workmen deference to specialists on specific issues and for specific purposes is well understood, but over all, a certain level of respect is afforded all adults and a certain type of behavior is demanded.**

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*They are as sentimental as the highly demonstrable swinging set who are constantly talking of their private lives, their inner feelings, "love," hugging one another, etc.--workmen just don't believe in wearing their hearts on their sleeves.

**Wicker, Tom, "The Work and the Worker," The New York Times, June 18, 1974, p. 39L.

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*See Armbruster, Frank, "A Small Minority of Dissatisfied Workers," The New York Times, February 12, 1973, p. L27 for a discussion of the workers' attitudes toward these and other issues and The New York Times, January 5, 1975, Section IV, p. 11, for the opposition voiced by American workers who were finally sent abroad to see these work methods.

**After transferring from the blue collar world to the academic/white collar world, the author will never forget his shock on first hearing an adult male accuse another adult male of taking a position which was different from the one in which he really believed, in order to curry favor with the boss; and he accused this man of this to his face, before witnesses. Such

There are shirkers, liars, cowards, ignoramuses among workers too, but no man has the right to accuse another of this in direct confrontation. There is sorrow, love, and tenderness toward their children in the hearts of workers, but this is not spoken of frequently--it is assumed to be the case (publicly) with all fathers. Workmen are known to perform certain tasks, the employers are assumed to understand the reasons for the workman being on the job and the efforts they make there. (This by no means implies that workmen necessarily feel these efforts are adequately compensated.) There is also a considerable degree of courage, physical and otherwise, among these men but this generally is not considered a good topic of conversation and stoicism in the face of pain is likely to be the standard.

The wives of working class families normally are felt to have the primary responsibility for the raising of children, particularly in their pre-teen years. Life is not necessarily easy for these women even when their husbands are earning "good money." There is a great deal of togetherness in these families, but workingmen also tend toward activities "with the boys" more than do white collar workers, professionals and academicians. They are more likely to occasionally be out nights and though they are no more likely to drink than the professional, they are more likely to do so away from home and in all-male company. The male and female roles in these families tend to be more clearly delineated and the woman's job may be more difficult because basically the man's job is

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behavior would have been unacceptable in any workman's neighborhood bar, and the transgressor would not have been restrained by fear of physical violence, after all he could have been the biggest, toughest man in the place and his victim the smallest, weakest. The restraint was the threat of ostracism for the transgressor.

likely to be obviously physically harder than that of a professional. Blue collar workers are less likely to feel their wives should work than are white collar workers,* but even when a woman in a blue collar family works, she normally is likely to still feel (usually correctly) that her husband is exhausted when he gets home, works hard at his job and deserves a night out with the boys now and then. She is also more likely to have women friends who do things together occasionally (bingo, bowling, etc.). We notice that these women, as is the case with their husbands, are more "conservative" (an odd way to describe people who are predominantly non-Southern Democrats) than wives of professional men in their responses to public opinion survey questions dealing with personal behavior, attitudes toward youth, women's rights, etc. (The reverse is true on questions on medicaid, welfare, etc.)

This man's home is his castle and he is likely to be a Jekyll and Hyde as far as behavior demands inside and outside it are concerned. On the job, in his man's world, a level of profanity and obscenity, lurid discussions of sex, nudity in "pin up" pictures, etc., is accepted which would be deemed shocking elsewhere. At home, where his wife and children are, however, he normally has quite different standards and is even likely to be a martinent on such issues.

This line of demarcation between on- and off-job environment, and the complex change of attitude stepping across it requires, traditionally is perhaps one of the most striking differences between the white collar and blue collar worker's world.* (I find it amusing that this switch to civilized behavior when in the presence of women is now called "hypocrisy" by some, and male and female high school and college students, and certain "feminists," now use language in mixed company more likely to be heard on the docks or from prostitutes not too many years ago.) His change in attitude does not just concern matters of morality, however, it concerns many others. At home his family comes first, and he acts accordingly within the community. For example, he demands police and fire protection for his family against the dangers of his neighborhood, even when he is home. On the job he and his fellow workers come first and if problems or sometimes even dangers arise (and dangers are more common to many blue collar workers than some people realize), he takes on the problems and faces the dangers himself.**

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*Based on data derived from the General Social Survey, July 1974, National Opinion Research Corporation at the University of Chicago: National Data Program for the Social Sciences.

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*One of the dangers of a blue collar father coming home "mean drunk" to his family is the blurring of this line. He is also usually physically stronger and rougher than the white collar man and sometimes can present a real physical danger to his family.

**For example, while 146 policemen and detectives were killed in 1970 out of a total national force of 365,000; 210 railroad operating personnel were killed out of a force of perhaps 150,000; and 260 coal miners out of a force of about 144,000; 57 metal miners out of a force of 46,000, etc. Furthermore, 11,554 coal miners, 3,521 metal miners and 627 railroad operating personnel were injured (Statistical Abstract of the United States: 1974, pp. 151, 353, 354, 572, 665). Construction workers (particularly high construction workers), sand hog, utility and telephone linemen, and even mill and factory workers who work around heavy machinery also have a significant chance of being injured or even killed.

Perhaps one of the reasons for the nepotism on some dangerous jobs stems from this last requirement. If miners are involved in a cave-in, a man will make a special effort to save his partner if the wife he must face when he reaches the surface is that partner's daughter or sister.

V. The White Collar Worker's World

Much of what has been said about the blue collar worker's world is of course true to some degree among white collar workers too, but because of the job environment, a white collar worker does not have the sharp demarcation line of behavioral standards that the blue collar worker does and can normally exist with little more than a housewife's ability to handle situations of physical danger around the home. However, lower-middle class and most upper-middle class white collar workers, set behavioral standards not too dissimilar from blue collar workers. (We have seen some odd "Liberalism" among some "enlightened," primarily upper-middle and upper class parents in regard to the sexual behavior of their college age children, even around the home, but this is very uncommon among white collar families as a whole.)

Lower paid white collar workers (which of course make up the vast majority of them) live in the same neighborhoods and, off the job, under the same conditions as their blue collar worker neighbors. Their wives have similar problems with the family budget but may have a different situation with their husbands. These men may be less likely to be physically exhausted when they get home nights and may even enjoy some physical activities around the house or yard to "unwind" from the stressful desk work they do all day. They may also be less likely to go out with "the boys" from the job at night since many of the "boys" are really girls in the white collar world and going out with them is in a different category.

In this respect the white collar worker's wife faces some hazards which are less likely to be experienced by the blue collar wife, that is from these on-the-job women. To the age old problem of the secretary "office wife" who begins to become more to a man than that, has been recently added the problem of the "affirmative action" woman. In the actuality of the "affirmative action" programs, the unemployed white collar housewife is the forgotten victim. In the white collar world, under these programs, women (as well as minority groups, which of course also work in the blue collar areas) are given preferential treatment in hiring, promotion, and when layoffs occur. This "affirmative action" is taken in an attempt to adjust the distribution of the sexes in various types and levels of jobs to more nearly equate to the distribution in the population of the work force. The working woman hired, promoted or kept on the job in preference to a man does gain, but this cannot be called a gain for women, for almost invariably another woman loses--the wife of the man passed over. She is forced to live and keep a home and family on less money. If her husband is better qualified for the job than the woman who got it (as is sometimes the case today), that housewife truly has a legitimate complaint that her life is being made more difficult than it should be due to discrimination because of sex; but in this respect she is practically ignored by the "women's movement" and the elected and appointed government officials responsible for "affirmative action" programs.

VI. The World of the Hard-Core Unemployed and the Occasional Worker

We have in the society today a group of people who in some sense have always been with us. These are people who from rejection of the "system" (establishment), lack of skill or motivation, or just inability on the one hand to move from an area of low employment, or, on the other, to remain for long in one place, cannot or will not hold down a full-time job.

A. Permanently Out-of-Work Family Members

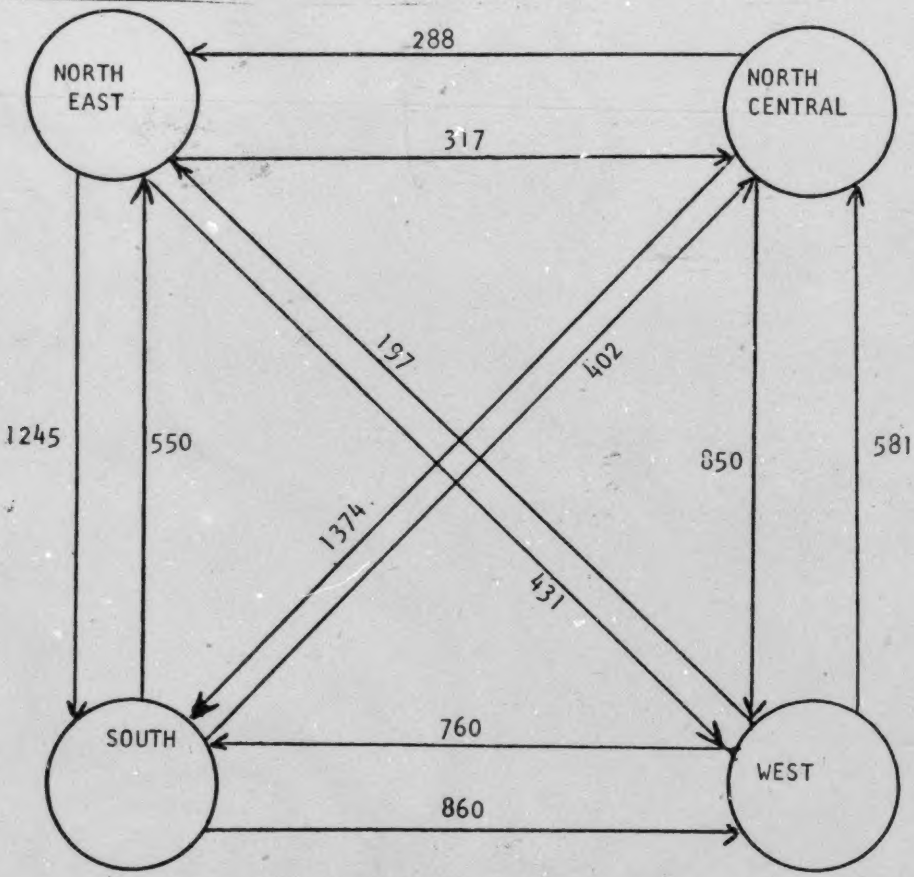
Perhaps the most numerous of the "hard core unemployed" remain more or less fixed in location but do not fit the vagrant description as we know it. They have a home and may even have a little money in their pockets, but they did not earn the money nor do they help to support the home. Large numbers of young high school dropouts fall into this category. They continue as non-contributing members of households long after most others of their age have gone to work or continued their education. Most of the young people in this category do have trouble finding jobs of the kind they want near their homes, for they are among the least skilled of the workforce, but they are not suffering great discomfort because of their unemployed status.

Many of the adults in this category are probably of low skill or unskilled, have similar trouble finding jobs, or don't want to move "to the work," but perhaps more here than among the young they may simply not like the humdrum routine of getting up every morning and going to work. (The old saw about the live-in brother-in-law who won't look for a job has some foundation in fact.) Men in this category often live off their wives, a phenomenon found, among other places, in large cities and Appalachia. In the latter area (at least until the recent past) mines shut down faster than the female employing industries which had followed the mining companies into the coal regions (silk and lace mills, dress factories, etc.).

It is a lot to ask of a man to pull up stakes (particularly from the town in which he was born) and go to locations where there is work, but countless men have done this. Efforts to move the work to the men have been numerous and generally supported by state, local and Federal funds, but when such efforts fail to reduce the permanent unemployment level toward the national average, questions come up about the workers moving to the work.

Of course, there are limits to where we can expect a man to move (particularly on a permanent basis), but we can expect him to move at least a short distance (e.g., 150 miles) within a region where the environment does not vary significantly and he can find housing to which he can bring his family. In fact, however, many men move further than that to the work, often interregionally. Between March 1970 and March 1974 the population movements looked as follows:

GENERAL MOBILITY OF U.S. POPULATION MARCH 1970 TO MARCH 1974
(THOUSANDS OF PEOPLE)



SOURCE: CURRENT POPULATION REPORTS, P-20.
NO. 273, DECEMBER 1974.

Part of the net movement out of the Northeast can be attributed to movement to the "Sunbelt" but not the net migration to the North Central region (an area of severe winters) or even with the exception of Florida, to the South (Sunbelt is usually considered Southwest, Arizona, Southern California, New Mexico). Movement out of the South might be heavily Negro but movement into it is most likely due to the recent spectacular industrial growth, lower personal and realty taxes, living costs, etc., in that area, while movement out of the Northeast is likely to be due in part to decreased economic advantages there.

B. Vagrants and Drifters

Of course there are other hard-core unemployed or occasionally-employed, who either can't be pried loose or move too much. In the author's youth, men of this type who remained long in one town were called "bums," those whom he met on the road were called "tramps"--a fine distinction, but at least according to the tramps an important one. Tramps claimed they were quite willing to work, but just not for long, or in one place--bums they insisted were not willing to work at all.

During the Depression the freight trains were full of men looking for work, even if only for food, but these men were of a different breed and much more similar to the migrant worker of today--when he is traveling he is normally going (or trying to go) to a job. Even those men who, after a while didn't try to go to the work (during the depression even rumors of places where there was work began to become rare) and stayed in one town were not considered bums.[*] Today we have a much smaller number of such men in our cities and we also have more things which reduce the incentive and the opportunities for them to easily "go to the work." Many of them are young, semi-literate or illiterate Negroes, among whom are a perceptible percentage of amoral, violent individuals. It is hard for such men to "hit the road" in the normal fashion today, i.e., hitchhiking. They are quite unlikely to get rides. For some reason they do not seem to ride freight trains as much as they did of old. (Those "piggy-back" flat cars with the truck trailers on them, so common on fast freights today, seem made to order for a "bo.")[**]

The world of the drifter and fixed vagrant is likely to be largely one of irresponsibility and even lawlessness. The glamour at one time attributed to the "knight of the road" is not (and never was, wholly) justified. Hobo jungles were and are just that, jungles, with "hard cases" outnumbering roving philosophers by orders of magnitude. The fixed vagrant, if anything, travels in even worse circles, often numbering among his group alcoholics, drug addicts, thieves, even rapists and murderers, as well as vast numbers of just plain losers. Oftentimes, however, though he has no visible means of support and is listed as "unemployed," it is not beyond possibility that he has a considerable amount of largely ill-gotten money.

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[*] By the late 1930s, however, such rumors were rampant again and it didn't take much to get men moving. The author recalls being laid off a job in 1941 and hearing that they were "hiring on the Nickel Plate" (RR), on the strength of which he took off for the Mid West. (They weren't hiring when he got there, so he took off again on the strength of another rumor which paid off.)

[**] Contrary to some popular opinions, at least during and after World War II, train and engine crews tended to ignore hobos.

There is virtually no "leaning" on rootless, unemployed males by big city police today and there is much more money in slum areas than some may think. Harlem is said to have $100 million in numbers money alone and millions more pour into such communities in welfare payments, aid to dependent children, etc. each year. A smart hustler can usually get a piece of this "heavy bread." Outright stealing (a traditional weakness among bums) adequate to support oneself at a low maintenance level can be done just about with impunity in many core city areas today (junkies who must steal $100 worth of merchandise a day, or more, to support their habits are in a different situation). In other words today's vagrants seldom go hungry or without shelter, and most vagrants seldom beg (hippies do, but the long-haired young man to whom one gives a quarter in San Francisco or New York is likely to be the son of a doctor in Chicago). They are seldom harassed by the police and, as indicated earlier, the Negroes among them cannot move comfortably about the country unless they pay for bus tickets. The result seems to be a higher percentage of the permanent "bum" type in the cities than the true "tramp" type on the road. Again the long-haired young man with the guitar whom you pick up in your car is more likely to be on his way to Aspen, or some other very pleasant hangout for the young, or even some college, but many of those on the road also fall into the traditional category of "hard cases" who have always made honest citizens wary of the "tramp."

VII. Current Policy Problems in Developing Programs to Fight Unemployment

Federal, state and municipal governmental policy issues regarding the hard-core unemployed (including all of the types mentioned above, but consisting primarily of the male and childless female "unemployed family members") raise several dilemmas. On the political feasibility side, hostile questions arise such as: Should the man who underwent the emotional strain and discomfort of leaving his home to go to the work be taxed to provide welfare payments so another man need not be asked to do the same? Should this taxpayer be asked to pay for on-the-job training programs when there are no jobs in the area for the trainees and the programs are really just another way to keep young men "off the streets"? Should he be taxed to pay for "no show" municipal jobs? Should he, along with supporting his own children, be asked to pay for the upkeep of illegitimate children when their "hard core unemployed" fathers are often not only known to everyone in the neighborhoods but share in the welfare and aid to dependent children money collected by the mothers? Etc.

Yet even the most hostile must admit that the children cannot be allowed to go hungry, nor for that matter can even an irresponsible man be allowed to starve or die of the cold. On the other hand, it seems that in normal times when temporary (and even permanent) jobs go begging, (and crops may even spoil within a hundred miles of poverty pockets) that the "hostile" argument that healthy men under 50 on welfare should be "leaned on" somewhat to go to the work,* becomes harder to refute. It is simple to refute the suggestions that they should be run out of town or be forced to hitchhike or ride freights. It is harder, however, to cope with the argument that out of town jobs might be included among those listed by the U.S. employment agencies, and healthy (particularly single) males, eighteen years of age and over who are on welfare should be made to show cause why they do not take such jobs before further welfare payments are made to them. (Their bus transportation to the job could be picked up by their employer, withheld from their first paycheck, etc.) It is not at all clear, but also not an irrefutably wrongheaded idea, that the truly "hard core unemployed" males and unmarried females could be reduced by such methods.

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*Until the current recession plane loads of teenaged boys from Puerto Rico had to be flown in to tend tobacco crops on Connecticut farms 100 miles from New York City, an area where unemployed teenage boys have been a problem for years. (Low local youths from Connecticult, laid off from the factories, are handling the crop.) The New York Times, July 24, 1975, p. 33.

In the heat of discussion, however, we must not lose sight of the fact that such "hard core" people are few in number and that the vast majority of those in this country registered as unemployed really either belong to trades which suffer from seasonal unemployment, or are between jobs--perhaps occasionally for some considerable time, but they definitely do not belong to the world of the "hard core" unemployed or "unemployables." Most of the unemployed actually belong to and feel at home in either the blue collar or white collar world described earlier. The primary need in the case of such people normally is matching people to jobs and the Want-Ad sections of our newspapers are a main source of such information.*

In a country of the geographic size and climatic, as well as the eco- and social diversity and complexity of the United States, temporary unemployment is apt to last a little longer and the numbers temporarily unemployed are likely to make up a slightly higher percentage of the work force than in West European countries or Japan. The fact, therefore, that in normal times 4 or 5 percent of the work force is "unemployed" should not be surprising. That about 1 or 2 percent may be "hard core" unemployed perhaps should also not be surprising, and indeed perhaps it should not even be surprising that despite vastly expensive efforts at training and job finding programs outside the normal economic channels this number continues to persist. Training of employees has traditionally been the responsibility of the companies for which they work and the unions to which they will belong. Union/company apprenticeship training programs, etc., normally have good records and both employer and employee can see why some of their money should be earmarked for such programs. Similarly unemployment compensation, at least part of which comes from employees' pay checks, paid to the member of the blue or white collar world who finds himself temporarily unemployed is easily understood and has few opponents.

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*The inability of many of our high school students to read these want ads these days is a particular cause for concern in determining this matching of jobs and people. See The U.S. Primary and Secondary Educational Process, HI-2308-RR, Hudson Institute, 1975, by Frank Armbruster, pp. 80 and 81.

Furthermore, public job training programs have recently enrolled 3.36 million people and "a comparison of post program enrollees in seven manpower programs (MDTA institutional training, OJT, JOBS, JOBS Optional, PSC, CEP and Job Corps) indicates...almost 2 out of 3 trainees" (62%) found employment both in fiscal years 1973 and 1974. The seven programs apparently had approximately 400,000 people enrolled in fiscal 1973 and about 350,000 enrolled in fiscal 1974. These programs contained a heavy representation of women, Negroes, Spanish speaking people and those on public assistance, and the overwhelming majority were under 22 years of age. In fiscal 1973 MDTA institutional people earned $2.76 an hour on their first job and in fiscal 1974 such people earned $2.90 an hour.

For CEP people the figures were $2.33 and $2.59, and for PEP people $3.38 for both years.*

This is not a bad record but a less enthusiastic way of putting it would be that almost 4 out of 10 trainees (38%) who complete these expensive programs do not get jobs. Furthermore, we don't know how many of the approximately 6 out of 10 people placed in jobs would have found jobs anyway. Of course, employers might as well take trained men if they can get them so training may give particular people advantages over others. For example, a trained member of a minority group may have an advantage over a non-trained non-minority group person, which might be one of the aims of some programs. As far as the overall work force is concerned, however, the results may be less clear for one assumes the hiring employers would have needed the help regardless of whether or not there were these training programs.

Wherein lie the unemployment problems? In normal times, as indicated above, the really difficult problems involve only a tiny percentage of the work force and may revolve primarily around those who cannot or do not want to leave areas where jobs simply don't exist, a growing number of young people (particularly in our cities), who leave our very expensive school systems so ignorant of the fundamentals of reading and math that they cannot perform many of the simplest tasks required in our commercial and industrial centers, and the smallest number, those who do not want to work. In each of these cases normal job training is highly unlikely to effect solutions to the problems. On the other hand, placing able bodied men on the dole avoids (and perhaps even helps perpetuate) the problems, as may unnecessary, often "no show" Federal, state, and municipal jobs.

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*Manpower Report of the President, April 1975, pp. 114-116.

In times of recession, of course, when the absolute number of jobs falls below the supply of willing workers the situation is quite different. Government funded assistance programs and "make work" jobs are in order,* but even then the priority of the work done ("leaf raking" vs. activities more useful to the economy and society in both the long and short term) must be carefully considered.**

Obviously, when we enter the world of the "hard core" unemployed and "occasionally employed" and attempt to handle an unemployment problem we are, as has always been the case, likely to be dealing with quite different parameters than when facing the same problem in the blue or white collar worker's world. First of all we may be dealing with what may be an ethical problem for many people. As mentioned above, traditionally some "hard core" unemployed often had to be "leaned on" a little to be made to take a job. When informal (family, neighbors, clergy, etc.) leaning did not do the trick, formal (legal) leaning, vagrancy laws (as indicated earlier, enforced against vagrants and tramps) came into effect.* This problem is doubly difficult to face today because so many of our hard core unemployed are members of easily identifiable minority groups. Furthermore, current selective, permissive attitudes among many of our most influential upper middle class people, make it difficult to force anyone whom they take under their wing to do anything, and this eventually is reflected in how programs are administered.**

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*The problem here of course is to know when to begin to use such "pump priming" since the economic stability is much like that of a dirigible, its easy to start it in an upward or downward direction but once it starts to move the "natural forces" that tend to stop it are rather feeble and dangerous oscillations are common.

**See "The Energy Crisis and the Poor--The Bright Side," HI-1964-DP, March 8, 1974, by Frank E. Armbruster, for a discussion of the extension of low interest government loans to railroads to encourage the employment of low and unskilled workers, and at the same time to upgrade the roadbeds to handle the vastly expanded movement of coal by rail under the Project Independence program for energy independence for the U.S.

Second, we may be causing problems for the unemployed members of the blue collar and white collar worlds when we lump them in with the hard core unemployed in job programs. The former types and their families are likely to have the right attitudes even though these days many youngsters from these groups may also be hard to teach a trade because, as indicated above, they too can't read, convert inches to feet, multiply, divide, or even add a column of figures--to say nothing of calculating angles or understanding the importance of careful, meticulous work. These are skills and perceptions which youngsters normally acquired in school and brought with them to apprenticeship and journeyman training programs. What is required today for such people is re-schooling before any job training can be considered. Indeed the author has visited taxpayer funded "job training" programs which were also heavily involved with teaching people to read. In other words the taxpayer is paying twice for the same job, once in the schools and once in "job training" programs. This is a disgrace, and no thinking person can condone our schools' shameful abdication of their responsibility to teach; but if the result of such "pre-job training" is that people finally learn to read and cypher then the money may still be relatively well spent. Assuming the job openings for which later job training is given exist, such pre-job training, as well as job training, programs can help the young people from the blue and white collar worlds, and perhaps some from the hard-core unemployed world, get jobs; presuming, of course, that the activists (particularly from the latter milieu) not be allowed to influence unduly the programs, as they so often have the grade and high schools.

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*For the actual criminal element a program has been set up in Omaha Nebraska by the Human Resources Development Institute of the AFL-CIO, in cooperation with LEAA and the Douglas County Public Defender's office, through which convicted fellons are really leaned on to take and keep a steady job (average pay--$4.00 an hour for 1974). "In practice, a judge sentences a person to a term and suspends that sentence, ordering the person to do a job which has been arranged before sentencing..." Even though only about 5 percent of those interviewed for the program were selected, the dropout rate was still about 20 percent, and dropouts are incarcerated. Nonetheless, those who stayed on the job represented a saving of about $1,300,000 a year in prison costs and a quarter of a million dollars paid to the Federal and state governments in taxes by these employed felons. Human Resources Development Institute Final Report to the Department of Labor, Contract #99-4-0008-003, January 27, 1974-January 26, 1975, p. 3.

**For example, apparently many people who should have been working were living off the permissive welfare system of New York City. Vice President Rockefeller in testifying before a New York State investigations ommission on August 28, 1975, stated that when able-bodied welfare recipients in New York City were made to pick up their welfare checks at the local state employment office, 23 percent failed to show up for their money. (WINS August 28, 1975).

This must imply a firm hand in all such programs and a realistic approach to acceptance, retention, grading, etc. Despite the 6 out of 10 job placement record of the public job training programs, it could be a mistake to assume that government run civilian programs or private schools can perform this task in all areas. (Note the billions of dollars spent on such programs over the past decade with no significant decrease in the hard-core unemployed in our great cities, even after the influx from the rural South had subsided considerably. Of course, in some cases these cities have lost thousands of jobs during this same time period, e.g., New York City).

On the other hand, government funding of normal corporate and union apprenticeship and other training programs becomes a complicated issue. There is little doubt that such programs are in touch with reality and are more likely to have a no nonsense approach, but the very fact that the funds for them come out of the pockets of the corporations and/or the unions may largely account for this attitude. Furthermore, if large amounts of government money were spent on them there could be a not completely illegimimate complaint that the taxpayers were being asked to subsidize the unions and corporations in normal operations. At the same time, however, a large infusion of government money is likely to bring even more government interference in the programs, thus weakening company and union control and possibly reducing the programs' effectiveness.

Measures which fall somewhere in between non-involved and too involved groups, such as the programs conducted by the National Alliance of Businessmen (NAB), which has union cooperation and among the executives of which there is union representation, and the Human Resources Development Institute (HRDI), an AFL-CIO program, primarily concerned with job placement and working in cooperation with job training programs (including some of those mentioned above), perhaps can more easily accept government support. The latter helped to place only about 13,000 people in jobs in 1974, but it has a 100 percent placement record and the funds expended per placed worker were small.* Of those placed 73 percent went to union jobs averaging $3.78 an hour, 27 percent to nonunion jobs averaging $3.00 an hour; 11 percent were ex-prisoners, 7 percent welfare recipients, 1 percent physically handicapped, 18 percent veterans and 63 percent did not fit these categories but had a heavy representation of minorities and the poor. For example, HRDI is involved in the Apprenticeship Outreach programs, also 7,291 of its job placements met the Department of Labor's poverty criteria.* Expansion of placement/training programs of this type run, or at least heavily influenced, by people deeply involved in the real blue collar and lower level white collar worlds may be one of the better approaches to programs. NAB and HRDI normally get involved with training programs where jobs are actually available for trainees. Clearly this is a productive path to take--find the jobs then train the people for them. We should of course not limit training programs to the unemployed, let alone the hard core unemployed, for we are likely to overlook talent and hold down productivity this way. Furthermore, when an underemployed man moves up he not only makes a lower level job available he demonstrates the opportunity for upward mobility. This may require off-hour training periods, high (or even full) pay during intensive training courses. (We found during World War II, for example, that we could train men, and women, in many types of skills through short crash programs and put them right to work.)

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*As is true with most such public and private job placement programs, data on retention rates is basically non existent at HRDI. Responses to

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questionnaires mailed to graduates of one tax supported independent school visited by the author showed hardly any of the men replying, though almost all the women trained in health care responded. Low retention rates on less desirable jobs, however, is not necessarily a bad sign if it means workers are leaving these jobs for better ones, which is a common cause.

*HRDI Final Report to the DOL, contract #99-4-0008-003, January 27, 1974-January 26, 1975.

Like the union executives involved in administration and organizing, labor people involved in job placement work (for both union and nonunion jobs), seem far less concerned with the changing makeup of our work force than outside people who study it. Union people are pragmatic with a record of success despite their many and often well publicized shortcomings. One such person pointed out that while HEW lavishly funded studies which described at great length why a particularly hard to place group of people could not get jobs he was placing them in jobs--which is what he saw as the goal. That is perhaps the biggest difference between the training and placement efforts of company and union people (including those running apprenticeship programs), and people in academia (and even some people in private job training schools and the government). Company, and perhaps even more so union people, seem to tend to be more solution oriented, maybe in a "narrow" sense since they see the solution as putting people to work. Furthermore, union people in this business seldom talk of "primary" and "secondary" labor pools* etc., perhaps because they themselves are examples of the possibilities of upward mobility through the union hierarchy and they know of too many men who have "made it" through the other channels in our society.**

Unless we are referring to people of very low I.Q. or those with emotional problems, the idea that a "secondary labor pool" continually made up of the same people exists because in some real sense these people

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*The "primary" pool members are said by some sociologists to hold skilled, high paying usually unionized jobs, the "secondary" pool members are "trapped" in low skill, low paying, "dead end" jobs.

**As does the author who is convinced that in a healthy economy opportunities for upward mobility are very numerous for people of normal or above normal intelligence and initiative in this country.

are unwillingly "trapped" in it, seems harder to substantiate today than ever for any significant number of citizens. Traditionally younger people made up a large segment of the low skilled, "secondary" labor pool; they made less money but moved up the job ladder as they got older. In getting the experience and habit of working they saw other people in better jobs, earning better pay, in their own or nearby establishments and got a feeling for the strata of jobs in the blue and white collar worlds as well as some estimates of their own ability to hold the higher paying jobs.* Even estimating things about jobs which were only discovered through ads in the paper was helped by the practical job experience, the "on the job training," of the lower level job. What was (and is) learned was not all positive. Clearly, as mentioned earlier, in the white collar world the boss's son or other relative has a better chance at certain jobs, perhaps not quite so clearly but just as surely in the blue collar world the sons of journeymen have a better chance at following in their fathers' footsteps. Certain minority groups have always had trouble getting certain jobs, No Irish Need Apply was a common addition to employment want ads in Boston papers many years ago, in later years Italians, Poles, Jews, Negroes and others faced similar blatant discrimination. Threading ones way up between those obstacles is a technique probably also best learned on the job.**

In the professional world the college degree, "better school" and graduate degree barriers are harder to slip through. In certain professions such as medicine and law it is just about impossible, and in our modern society probably rightly so. This "higher education" barrier is likely to become broader, however, covering more jobs as more and more people go to college, and this could be not only unnecessarily discriminating but counterproductive. Many college educations, like high school educations, seem to be tending to be meeting lower and lower standards and becoming more and more decoupled from the real world. These educations often can no longer be looked on as filters which assure that those who complete them are people of better than average intelligence, determination, skill, knowledge, etc. Blocking people without such "higher" education from more and more jobs, therefore, could often lead to considerable counterproductivity, and Federal, state and local governmental policies which foster this process could often be real mistakes.

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*As mentioned earlier over 40% of workers for one reason or another do not want to be promoted, see p. 644.

**Often these barriers vary significantly by region. For example, a particular craft union or type of job may be hard to crack in certain areas, but in others where business is booming there simply will not be enough sons of journeymen (or even "wasps"), to fill the slots which open up. The author has used this area "porousness" more than once to slip through such barriers.

Union leaders are aware of the unique problems of some groups, including minorities, who have been discriminated against, they should be --union officials with whom the author has spoken included people belonging to such traditionally denigrated ethnic groups as Negroes, Jews, Italians, etc. (They are also aware of the traditional nepotism in unions, mentioned earlier, as well as efforts to restrict numbers of members, sometimes confused with racism, etc., by outsiders.)* As indicated earlier, however, they are not disturbed by the changing make-up of the labor force. The sociological effects seem to be seen as something the workers themselves can handle, though union programs have been known to become involved in such things as child development centers.

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*This is a difficult topic to handle--its too fundamental. Law firms are titled Jones and Son not because "Son" scored highest in open competition with other law school graduates. Medical, law and dental schools restrict entrants; bar examinations also restrict the number of lawyers, etc., which keeps down competition in professional fields. It is difficult to condemn unions for such universal practices. Furthermore, the desire to leave something to one's son is a deeply held feeling, and passing a trade from father to son has proven in the past to be productive--there are pressures on the youngster at home to measure up to the job. The possible value of this practice on dangerous jobs has been touched on earlier, see footnote on page 686.

There seem to be some grounds for this placid attitude. The current breakdown of the work force and the demands on it do not necessarily seem so radically different that (assuming a recovery of our primary and secondary school systems) the traditional evolutionary process of the changing labor pool will not meet the requirements. We know that under this process the "secondary" labor pool of yesterday has become the "primary" labor pool of today. The lowest paid workers of 1910, the immigrant Italians and Poles, are today's second and third highest income groups in the country, supplanting the earlier immigrant English, German and Irish, and the near destitute newly arrived Russians of 1910 (primarily Jewish) today have the highest income of any ethnic group.

PERSONAL AND FAMILY INCOME BY GENERAL NATIVITY AND
RACE OF INDIVIDUAL FOR NEW YORK CITY, CHICAGO, BOSTON,
PHILADELPHIA, CLEVELAND, BUFFALO AND MILWAUKEE FOR 1909

General Nativity and Race of Individual	Males 18 yrs. and older	Females 18 yrs. and older	Male Heads of Families*	Percent of Families Having Income From		
				Wife	Children	Borders
Native-born of native father:						
White	$595	$278	657	16.0	21.9	14.4
Negro	441	207	465	64.2	9.5	32.4
Native-born of foreign father by race of father:						
Bohemian and Moravian	518	315	632	45.5	6.1	6.1
German	581	317	674	16.0	25.4	11.8
Hebrew	541	327	-	-	-	-
Irish	535	294	601	20.3	24.8	12.6
Italian South	413	270	-	-	-	-
Polish	403	211	-	-	-	-
Swedish	516	327	-	-	-	-
Foreign-born:						
Bohemian and Moravian	538	300	552	34.7	33.5	15.3
German	613	204	630	20.2	42.0	10.7
Greek	352	-	-	-	-	-
Hebrew, Russian	461	259	463	7.8	35.6	43.0
Hebrew, Other	465	230	484	12.1	34.2	31.5
Irish	535	213	557	19.6	41.9	17.5
Italian, North**	425	232	449	13.2	28.3	56.6
Italian, South	368	179	390	16.8	21.6	27.0
Lithuanian	410	191	419	6.5	8.8	77.3
Magyar	346	198	390	22.5	9.3	52.7
Negro	385	121	369	67.6	5.4	51.4
Polish	365	168	379	10.7	21.9	38.1
Servian	325	-	-	-	-	-
Slovak	384	208	402	14.6	14.9	44.8
Slovenian	398	-	433	.0	11.0	36.0
Swedish	692	221	703	20.4	36.3	42.5
Syrian	321	218	356	11.8	8.8	2.9
Grand Total	413	239	475	17.7	26.0	30.3
Total native-born of foreign father	526	292	625	20.6	23.1	11.8
Total native-born	533	275	612	26.8	20.2	16.5
Total foreign-born	385	219	452	16.1	27.0	32.7

*In 13% of the families, the husband contributed nothing to the family income.

**Northern Italians make up less than 4% of Italians in the sample.

U.S. Immigration Commission. Reports. V. 26: Immigrants in Cities. (S. Doc. No. 338, 61st Cong., 2d sess.) (Wash.: G.P.O., 1911), pp. 136-140.

INCOME BY PERSONS 14 YEARS OLD AND OVER, 1970, BY ETHNIC ORIGIN AND SEX, AND FAMILY INCOME BY ETHNIC ORIGIN OF HEAD

	Total	German	Italian	Irish	French	Polish	Russian	English Scotch Welsh	Spanish	Other	Not Reported
Median Income											
Males	$6,665	$ 7,467	$ 7,883	$6,881	$6,775	$ 8,154	$ 9,160	$ 7,414	$5,477	$5,972	$6,013
Females	2,278	2,316	2,667	2,422	2,248	3,052	2,959	2,428	2,167	2,141	2,045
Family Median Income by Ethnic Origin of Head	9,891	10,402	11,089	9,964	9,558	11,619	13,895	10,727	7,379	9,630	8,676

U.S. Bureau of the Census, Current Population Reports, P-20, No. 249, April 1973, "Characteristics of the Population by Ethnic Origin: March 1972 and 1971" (Wash.: G.P.O., 1973), pp. 33 and 34

One feels the need to add the caveat that tampering with a system which apparently normally produces socio-economic upward mobility in a large country to a degree and at a rate never matched in all history, must be done carefully. This is not to say that there is no room for improvement, far from it, but, as mentioned earlier, the socio-economic process in this country is vastly complex and highly sophisticated--and by and large it works well. The approach may have to be more that of a brain surgeon than a blacksmith if we wish to further improve it.

Strangely enough sociologists and even some "labor economists" from academia (and policy makers who heed them), often seem to have tended to suggest solutions which in effect are quite heavy handed, while "hard nosed" professionals in the Labor Department of the government, the unions and industry often displayed a much lighter touch. What turned out to be socio-economically counterproductive suggestions over the past decade (even for those who were supposed to be the major recipients of the aid), seem generally not to have come from the latter group. For example, the idea of "super seniority" for certain ethnic groups and women, mentioned earlier, could well be counterproductive in the long run. The seniority system's last hired first laid off tradition is not aimed at women, Negroes, people of Spanish surnames; it is, and always has been, aimed at new hirees. These are primarily younger, less skilled and unmarried men, with fewer children to support, but these are not the reasons they are laid off. They are laid off and promoted (if they qualify) because of their degree of seniority--and at least from the workers' viewpoint no one has yet come up with a fairer, more easily administered, less corruptible system. Ignoring the system and giving super seniority to certain groups is likely to backfire against these very groups. Acceptance committees of union locals are likely to be very reluctant to enroll a member who the minute he or she enters the union automatically has greater "seniority" at times of layoffs and promotion than the oldest members of the Local (including the acceptance committee members). This may well tend to slow down the very process of racial and sexual balance in the work force that the super seniority approach was meant to promote.

The basic policy questions concerning the able bodied unemployed may first of all be when and where does the system need stimuli other than the normal ones which tend to generate and guarantee jobs? When do the Federal, state and local governments have to enter the scene? The "where" part of the question would seem to be taking on greater significance:

> "...while geographic regions do respond to demand pressures prevailing in the national economy, they are responding during the 1970s at unemployment levels that are more widely dispersed than the distribution that prevailed in the early 1960s."*

Of 19 large states and 28 standard Metropolitan areas the following table lists those which experienced unemployment rates either 1 percent above or below the national average.

Year	Number of States	Number of SMAs
1968	3	8
1969	4	10
1970	8	13
1971	11	15
1972	12	16
1973	18	14

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*"The Geographic Structure of Unemployment Rates," by Andrew M. Sum and Thomas P. Rush, Monthly Labor Review, U.S. Department of Labor, March 1975, pp. 7, 8.

In fact because of this growing unevenness of distribution of employment it was felt that

> "...further general demand pressure would likely intensify inflationary pressures in the areas characterized by unemployment rates well below the national average."*

The obvious proposals which often stem from data such as the previous is to selectively prime the pump by short term public employment programs and to put public money into "...those states and major metropolitan areas characterized by relatively high unemployment rates to improve the viability of their economic bases over time."** It seems logical that such selective insertion of money is better than broadcast lifting of the whole economy, but there are caveats which must accompany such recommendations. We must not, for example, unduely artificially sustain areas which, due to irreversible natural forces, are on the down trend. To do this may tend to stop the movement of competent manpower to areas where it is needed (and thus waste it), and at the same time tax the expanding areas to unduly sustain the declining ones, thus increasing wage demands and/or reducing the rewards for moving to these areas and limiting the funds available for further development of the prosperous areas. These effects might, in the long run, limit industrial efficiency, feed the general inflation and adversely effect the economy. Furthermore, some of the reasons for the wider disparity in unemployment by regions in the early 1970s compared to the early 1960s may have been such government programs which tended to keep men in places where employment was dropping rather than moving to the work...geographic mobility of workers may have been slowed by these programs while industry, for some reason, did not move to the labor pools.

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*Ibid., p. 7-8.

**Ibid., p. 8.

The correct level of support for the more depressed areas is a critical question for the nation as a whole, similar, perhaps, to the levels of public assistance offered in the various large cities to which geographic mobility of some people seemed to be rather sensitive.

VIII. Summary

The work force is changing in make up. More women have entered it and, due to the baby boom of the 1950s, as in the early 1940s, once again it has large numbers of young people in it. These young people have more schooling but not necessarily more education than their immediate predecessors and those of the 1940s. The percent of workers who are unionized, after peaking in 1955, overall has, as of 1972, shown a slight downward trend to 21.8 percent of the force for that year.

The demands on the force have changed significantly over the past two decades, with white collar work increasing to become the majority type of employment and blue collar work decreasing to a minority status.

The attitude of the workers themselves toward their jobs, their home-life, their status, however, apparently has changed very little. The worker family (blue or non-professional white collar) seems to have changed little in its outlook and goals. The recession and inflation (as with all recessions and inflations) has recently caused a decrease in satisfaction with income but overall there has been very little change in attitudes toward work in the blue collar and white collar worlds.*

In the world of the "hard core unemployed" there may have been some overall change in what the small minority of people in this world have come to expect. More important, however, might be the apparent change in the attitude of the rest of society toward this group over the past decade and a half. It yet remains to be seen if this changed attitude will result in changes in the status of this group. (The recession and inflation may have delayed such an evaluation again.) Full employment, the goal of so many administrations, apparently means employing all of this group too. This could be a quite different task than putting the unemployed and the new employees from the blue and white collar worlds to work.

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*The recent emphasis on "blue collar blues," increasing dissatisfaction among workers, etc. seems hard to document from survey data; see pp. 639-666.

With the possible exception of some people from this hard core unemployed world, there seems to have been no change in the work force significant enough to warrant a great change in the fundamental processes which have so successfully staffed business and industry in the past. This statement could require a caveat if our educational system continues to deteriorate.[*] In this case a significant training effort in the basic academic fields may be necessary on the part of potential employers of many young job seekers before they can even begin training for the increasingly complex jobs predicted for the future.[**] (Even this, however, would be more an add-on than a fundamental change in the employment process.)

Some of the changes which actually resulted from attempts to assist certain groups, however, did change some parts of the fundamental employee-management relationship (e.g., the efforts to help minorities and women went from guaranteeing them equal opportunities to get jobs and promotions, which does not affect the basic concepts, to quota systems and super seniority, which does). It remains to be seen what long-term effects such actions will have if they are continued,* but over the long run they could be counterproductive for the very people they are meant to help.**

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[*] See The Primary and Secondary Educational Process in the U.S., HI-2308-RR by Frank E. Armbruster, pp. 27-48.

[**] See the footnote on p. 698, however, for a reference to a program under which large numbers of less intellectually demanding jobs might, under certain circumstances, also be generated in the future.

All in all, however, despite the great changes in demand on the work force it has in general met the requirements and in part relocated itself to man the new plants and fill the white collar jobs. This is not a new phenomenon, the American work force has met such changes in demand before (e.g., to mass production workers) and under fundamentally the same system we have today, except with currently much better worker organization, health and safety laws, etc. Furthermore, the socio-economic upward mobility of the workers has continued along with increased productivity and increased GNP per capita.

The one area which is, in terms of degree, most different from the past is that of the government employees. This sector is now quite different from anything we have previously known, simply because there are so many government workers, particularly at the state and municipal levels. In general the work force has experienced no difficulty in meeting the demands of government work, on the contrary many of these jobs apparently are less demanding than such jobs were in the past, or even equivalent jobs are today in the private sector. The problems have arisen in finding the money to pay these numerous and often well paid government workers.

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*There are some short-term scare (but sometimes documented) stories of high cost efforts because of inefficient and duplicate labor, and low morale among middle management when unqualified minority members are promoted over other staff people, who then have to do the work for their new "bosses" while the minority supervisors draw the higher salaries, etc.

**See pp. 710 and 711.

There are also great discussions about how to measure the productivity of these people, although it is sometimes not as mysterious as some would have us believe (e.g., there are ways to get some idea of the productivity of a school teacher,* a file clerk, a garbage man). Unfortunately many of our underprivileged have been encouraged to move into municipal and state government as a road to upward mobility, and traditionally because of enforcement of antidiscrimination laws in the government (at least at the federal level and in some Northern states), government jobs were available to them. Now we face a double problem in trying to straighten out the imbalance--in attempting to lighten the tax burden on the work force as a whole by eliminating the surplus municipal state and even federal jobs we find many of them held by minority group people with low seniority. Furthermore, we find a significant portion of our larger union organizations now made up of government employees, and vast, well funded, lobbying and election campaign supporting (or opposing) groups, like the giant National Education Association, looking out for the interests of specific types of government employees (in this case, teachers). Those groups can and do bring great pressure to bear directly on their "bosses" (elected officials) without having to resort to strikes. In terms of degree this is a new situation; never before has such a large percentage of the work force been in this situation.

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*E.g., academic achievement scores of children entering a class vs. those of the same children upon leaving the class; if they do not improve or even go down, for example (and they sometimes do), one can assume that teacher's efforts over the school year have been relatively ineffective. For a discussion of the achievement score issue in the country see The Primary and Secondary Educational Process in the U.S., pp. 27 to 87 and the Appendix.

Nonetheless, if this employment trend should reverse, as one feels it eventually must, the shift back would probably be accommodated as so many others have been (e.g., railroad employment dropped from 1.2 million in 1953 to 560,000 in 1973)[*] with much less socio-economic consequences than some seem to fear. Admittedly government workers (even state and local workers) make up a larger percentage of the work force than any one industry has in the past, but during the twenty-year period mentioned above when railroaders were being laid off, so were miners and members of several other basic industries. Furthermore, these cutbacks were drastic.

In general, despite dire analyses which we have all read lately, the members of the work force have adjusted to recent changes and seem not to have been unduly discouraged or dissatisfied because of them. Furthermore, the normal system of employee/management bargaining generally seems to have been adequate and the workers have largely been able to look out for their own interests. Two problems which, at least potentially, may take extraordinary intervention, however, are (a) the government employee problem (partly because the normal management/employee voluntary customer-stockholder funding process does not apply)[**] and (b) the deteriorating educational system in the country.

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[*] Historical Statistics of the United States, p. 437; Statistical Abstract of the United States, 1974, p. 548.

[**] Funds for salaries of government employees can in some sense be looked on as coming from a bottomless pit of compulsory taxation, backed by the might of the state. Companies with excessive payrolls and low productivity simply don't remain viable long.

THE WORK FORCE

"Women in the Work Force"

by

Joyce Lind

WOMEN IN THE WORK FORCE

This paper deals primarily with working mothers, particularly female household heads, and specific aspects of their employment. Because female employment has been extensively researched and discussed, I limited the context of this paper to one which I hoped would direct attention to the circumstances of children with working mothers, an area in which research seemed to be less developed. My intention is to raise issues for consideration within this context.

Participation of Married Women

The proportion of women in the labor force has increased dramatically in the last thirty-five years, particularly since 1955. The greatest portion of the increase has been due to the entrance into the force of married women with husbands present. This group has almost doubled between 1955 and 1973; its participation rate increased from 29 to 42 percent. In 1900, only 15 percent of all working women were married. By 1940, this figure was 30 percent, and in 1973, this group constituted the majority of the female labor force--58 percent. Forty-two percent of all married women, husbands present, were members of the labor force in 1973. Mothers with children under 18 in husband-wife families comprise 32 percent of the female force, 19 percent with children 6 to 17 years of age only, and 20 percent with children under 6. (See table 1.)

Unfortunately, census data prior to 1940 exclude information on dependent children of working women. Approximately 9 percent of mothers with children under 18, husbands present, were in the labor force in 1940, or one in twelve, compared to one in 2.4 in 1973, and conceivably one in two this year. In 1955, one in three mothers with children 6 to 17 years old worked; in 1974, one in two worked. One mother in six with children under 6 worked in 1955, compared to one in three in 1974. The number of mothers in the labor force in both these groups doubled in this time span, but the participation rate for mothers with younger children increased 100 percent from base year 1955, compared to 50 percent for those with older children. (See table 1.)

Using 1965 as the base year, increases were 50 percent for mothers with children under 6 and 20 percent for those with children 6 to 17, although since that year, more mothers with older children entered the force than did those with younger children. Since 1965, the birth rate has been lower than it was in 1964, and as is commonly known, is continuing its downward trend. (A possible reason for this will be discussed later.) Consequently, although the number of mothers with school-age children increased, reflecting the previously higher birth rate, the number of younger mothers decreased. The rising participation rate for the latter group, actually diminishing in size (becoming a smaller "pool"), contributed greatly to the higher proportionate increase in employment of younger mothers.[1] In addition, the inception of federal funding of day care and Head Start also facilitated their opportunity to seek work.

Among younger mothers with husbands present, those with children under 3 more actively sought employment and may be continuing to do so. In 1963, 19 percent of these women were members of the labor force; in March 1973, their participation rate was 29 percent.[2] In 1972, 20 percent of this group who were employed during 1972 worked full time (at least 35 hours a week, 50 weeks a year), compared to 15 percent in 1969.[3]

TABLE 1

WOMEN IN THE LABOR FORCE, 1940-1974

MARITAL STATUS	1940	1944	1948	1955	1960	1965	1970	1971	1972	1973	1974
						NUMBER (MILLIONS)					
SINGLE	6.7	7.5	5.9	5.1	5.4	5.9	7.0	7.2	7.5	7.7	--
MARRIED, LIVING WITH HUSBAND	4.2[a]	6.2	7.6	10.4	12.3	14.7	18.4	18.5	19.2	19.8	--
NO CHILDREN UNDER 18 YEARS	2.7	b	4.4	5.2	5.7	6.8	8.2	8.4	8.8	9.1	--
CHILDREN 6-17 ONLY	1.5[a]	b	1.9	3.2	4.1	4.8	6.3	6.4	6.7	6.7	--
CHILDREN 0-5		b	1.2	2.0	2.5	3.1	3.9	3.7	3.7	4.1	--
WIDOWED, DIVORCED, LIVING APART	2.9	4.7	3.7	4.6	4.9	5.3	5.9	6.0	6.2	6.3	--
ALL WOMEN	13.8	18.5	17.2	20.1	22.6	26.0		31.7	32.9	33.9	--
						PARTICIPATION RATE					
SINGLE	48.1	58.6	51.1	46.6	44.1	40.5	53.0	52.7	54.9	55.8	57.2
MARRIED, LIVING WITH HUSBAND	14.7	21.7	22.0	27.7	30.5	34.7	40.8	40.8	41.5	42.2	43.0
NO CHILDREN UNDER 18 YEARS	--	b	28.4	32.7	34.7	38.3	42.2	42.1	42.7	42.8	43.0
CHILDREN 6-17 ONLY	8.6[a]	b	26.0	34.7	39.0	42.7	49.2	49.4	50.2	50.1	51.2
CHILDREN 0-5		b	10.7	16.2	18.6	23.3	30.3	29.6	30.1[c]	32.7	34.4
WIDOWED, DIVORCED, LIVING APART[e]	35.4	42.0	38.3	38.5	40.0	35.7	39.1	38.1	40.0[d]	39.6	40.9
ALL WOMEN[f]	25.7	35.0	31.0	33.4	34.8	36.7	--	42.5	43.6	44.1	--

[a] ESTIMATED. SOURCE: U.S. DEPARTMENT OF LABOR (N.D.). DATA FOR 0-5 AND 6-17 ARE COMBINED FOR 1940.

[b] NO INFORMATION AVAILABLE.

[c] WITH NO CHILDREN UNDER THREE, 36 PERCENT WERE EMPLOYED: WITH CHILDREN UNDER THREE, 27 PERCENT.

[d] FOR 1972, THE PROPORTIONS EMPLOYED WERE: WIDOWED, 27 PERCENT: LIVING APART, 42 PERCENT: DIVORCEES, 70 PERCENT (WITH PRESCHOOL CHILDREN, 62 PERCENT).

[e] MANPOWER REPORT OF THE PRESIDENT, 1975, P. 57, GIVES THE FOLLOWING FIGURES: 1955, 38.9; 1965, 38.9; OTHER FIGURES IN THIS CATEGORY ARE CONGRUENT.

[f] MANPOWER REPORT LISTS RATES FOR ALL WOMEN ON P. 57 AS FOLLOWS: 1960, 37.8; 1970, 43.4, 1973, 44.7.

SOURCE: LOIS WLADIS HOFFMAN AND F. IVAN NYE, WORKING MOTHERS: AN EVALUATIVE REVIEW OF THE CONSEQUENCES FOR WIFE, HUSBAND AND CHILD (SAN FRANCISCO, WASHINGTON: JOSSEY-BASS, 1974), P. 3; 1970 AND 1973 FIGURES: STATISTICAL ABSTRACT OF THE UNITED STATES: 1974, PP. 340 AND 341; 1974 FIGURES: MANPOWER REPORT OF THE PRESIDENT, 1975, P. 254

Participation of Divorced and Separated Women

The increasing participation rate discussed so far has excluded divorced and separated women, many of whom are younger mothers. Since over half of final separations and divorces occur during the first seven years of marriage,[4] younger mothers would be affected disproportionately by divorce, which has increased to a rate of 4.4[5] (the number of divorces per 1,000 persons in the population). The proportion of 25- to 34-year-old women in the labor force, those more likely to have young children, increased between 1972 and 1973 by 4 percent, more than for other child-bearing age groups,[6] which may be due at least partially to the high divorce rate. Not surprisingly, the labor force status of divorced and separated mothers indicates that the presence of children is a less inhibiting factor in labor force entry than in husband-wife families.

TABLE 2

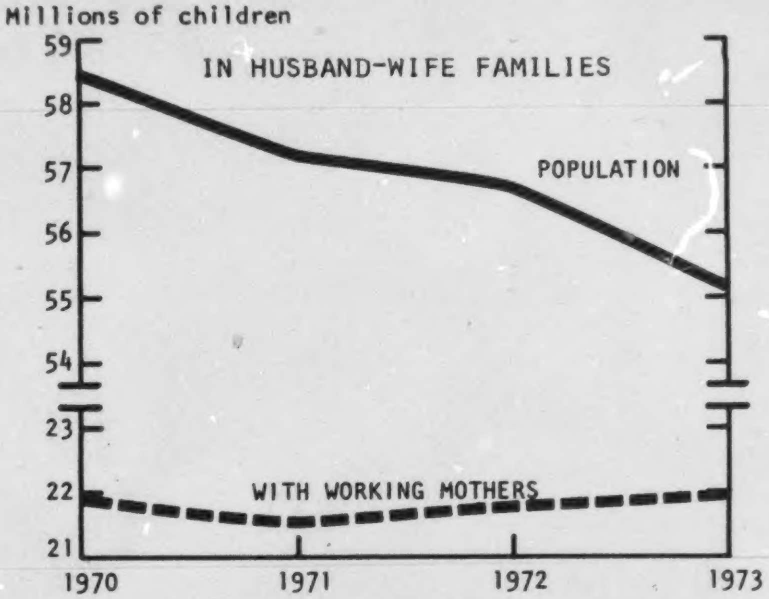
PARTICIPATION RATES OF WOMEN BY PRESENCE OF HUSBAND AND PRESENCE AND AGE OF CHILDREN, 1973

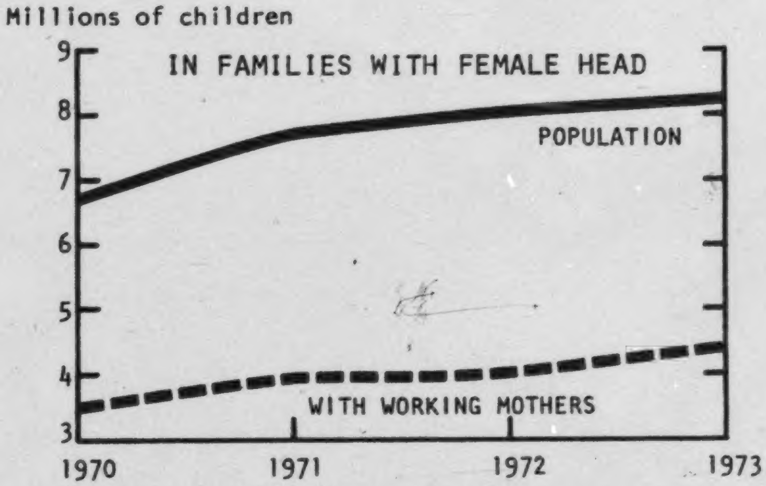
	MARRIED, HUSBAND PRESENT	WIDOWED DIVORCED OR SEPARATED
CHILDREN UNDER 18 YEARS OLD	41.7	59.7
CHILDREN 6 TO 17 YEARS OLD	50.1	68.3
CHILDREN 3 TO 5 YEARS OLD	38.3	54.8
CHILDREN UNDER 3 YEARS OLD	29.4	38.5

U.S. DEPARTMENT OF LABOR, SPECIAL LABOR FORCE REPORT, NO. 164, TABLE F, P. 19 (MANPOWER REPORT OF THE PRESIDENT: 1975, P. 64)

The following graph shows the number of children affected by the higher and more rapidly rising participation rate of female family heads and their remarkable increase as a proportion of all children, in contrast to children in husband-wife families.

NUMBER OF CHILDREN UNDER 18, BY TYPE OF FAMILY





Source: Elizabeth Waldman and Robert Whitmore, "Children of Working Mothers, March 1973," Monthly Labor Review, May 1974, p. 52

The percent increase in the number of female family heads between 1970 and 1973 was 18.4 and for those with children under 18, 29.8.[7] The percent increase in number of children living with these mothers was 16.2. Thirteen percent of all children were in female-headed households in March 1973. There was a 25 percent increase in the proportion of children under 18 in female-headed households, and for those 6 to 17 years old, a 27 percent increase.[8]

Female-headed families with children under 6 increased by 38.6 percent, with a 48.4 percent increase for those with one child and 29.2 for those with two. The percent increase in number of children under 6 in these families was 14.5.[9]

The proportion of all pre-school children with mothers in the labor force increased from 29 percent in 1970 to 31 percent in 1973. In 1970, 12 percent of these children were in families headed by women--one in nine had mothers in the labor force without fathers present. For 1973, these figures were respectively 14 percent and 1:7. One pre-school child in nine resided in a female-headed household in 1973 (11 percent of children under 6), compared to one in twelve in 1970 (8 percent of children under 6).[10]

Over all, the number of children with mothers who work or seek work is continuing to rise, although the population of children has declined since 1970. In 1973, for example, 650,000 additional children had employed mothers, but there were one and a half million fewer children. Average family size decreased for both husband-wife families, from 2.29 children in 1970 to 2.18 in 1973, and for female-headed families from 2.29 to 2.20.[11]

Female Family Heads' Median Income

In 1973, approximately one half of female family heads had completed at least four years of high school, a considerable gain over past years.[12] The proportion of better-educated female heads was likely to have approximated that of 1972, but median income for female family heads in the labor force, 1972, did not seem favorably influenced. For women in the force with children under 6, median income was only $4,194, and for those not the force, $2,726. Median income of female heads in the force with children under 18 was $5,749, and for those not in the force, $3,495.[13] Any benefits derived from a higher level of educational attainment may be attentuated by female heads who work part time, particularly younger, less experienced mothers, and by the nature of much part time employment. For all female heads, the percent change in median income, 1969 to 1972, when the level of educational attainment increased, was -5.7, -5.6 for those under 35, and -0.8 for 35- to 44-year-olds,[14] a higher proportion of whom would be likely to work full time and to have more experience. A shift in occupational distribution, discussed later, may have contributed to the decline. This shift coincided with the rising number of pre-school children with working mothers in female-headed households. (See pp. 18-19.) Over half of all children in female-headed households were below the poverty line in 1972, compared to 8 percent in two-parent families.[15] Median income of two-parent families experienced a gain during the same time span.[16]

Work Commitment of Employed Mothers

The media often indicate that generally a woman's decision to work is personally motivated as a step in the search for self-identity, and that once she is employed, basically sexist discrimination obstructs this process. Sex-role ideology, cultivated from birth in every possible respect, is particularly obvious, we learn, in the perpetuation of the gender-based division of labor. This results in contrived differential expectations which deter women in pursuit of satisfaction, best attained outside the realm of homemaker.

> The role of housewife and mother, however important it may be, carries with it little opportunity for a sense of achievement, competence, and contribution. The educational system and cultural values have tied feelings of achievement to success in the intellectual or business world. Such satisfactions are intimately linked to money....The housewife has none of these rewards.[17]

One hypothesis regarding an observation (initially based on a sample of non-American women) that "mothers show higher levels of work commitment than women without children" speculated that having experienced motherhood, women become disillusioned with it, then are more likely to want to work (Bailyn, 1964, the "traditional dream" theory). A subsequent study of American women by the University of Minnesota (Parnes, 1970) supported the finding of a high degree of work commitment among employed mothers, as did a Princeton study. In particular, the Princeton study found great commitment by many mothers of small children. To date no other explanation has been offered for the observed degree of commitment besides that of Bailyn.[18]

The desire to improve family status, hence children's prospects, may explain mothers' observed high level of commitment. This concern would tend to elucidate what might make this commitment seem paradoxical by another criterion, the flux of women into and out of the labor force. Perhaps commitment should not be measured solely in terms of sustained employment. Quality of work and productivity, where determinable, in both salaried and non-salaried jobs, may be as important in evaluating the impact of women's employment on the economy as is length of employment. These factors must be considered in light of employers' needs and investment in time and money for any training. The outlay may be considerable, particularly in professional occupations.

The previously mentioned studies might indicate that the working mother is not necessarily an employee whose demanding distribution of energy impairs her output on the job. Her degree of commitment to work may well be completely congruent with her qualities as a person who elected motherhood and its attendant responsibilities and concerns. Union agreements benefitting women seem to reflect an awareness of this integrity, which deserves closer examination.

Time Use of Working Women

The quote on page 8 acknowledges societal responsibility in the ostensibly diminishing importance of the role of housewife and mother, a reversal of post-World War II attitudes, when the employed mother's absence from home was blamed for a gamut of issues, including juvenile delinquency and divorce. Although a great proportion of working mothers are part-time employees and possibly present to attend to children's needs, it may be useful to appraise the effects of maternal employment in regard to certain social issues, such as the rapidly rising crime rate. Employed mothers, even when part-time workers, may spend time at home "catching up" on household chores, especially if children are not old enough to help.

One analysis of time-use studies[19] indicated that working women use less time on weekends than do housewives on household tasks, when it might seem more likely that they would attempt to perform tasks impossible to carry out during the work week. However, data analyzed did not lend themselves to such finite breakdowns as full- or part-time employment, marital status, or presence and age of children, all factors which would bear on time use. Husbands' supportive or non-supportive attitudes about maternal employment and/or children's reactions might also influence time distribution, as would children's assistance and aid by husband, which might vary considerably according to age, occupation, and education. It was noted that contemporary women spend eight hours a week on the road and in stores in order to shop and perform household-related functions. This time might be greater with the addition of home-to-work travel, creating a harried schedule for working women, especially those who must transport their children to and from day care centers or other homes.

Child Care Arrangements

Federal Funding

The growth in support for day care, excluding non-employment-related care such as Head Start, is shown in the following table.

TABLE 3

FEDERAL SUPPORT FOR EMPLOYMENT-RELATED DAY CARE
(MILLIONS OF DOLLARS)

	1971 ACT.	1972 ACT.	1973 ACT.	1974 EST.	1975 EST.
WORK INCENTIVE PROGRAM	27	32	41	45	46
SOCIAL SERVICES (AFDC)*	89	204	378	443	532
INCOME DISREGARD**	62	71	--	--	--
MODEL CITIES	9	12	--	--	--
OTHER	--	--	16	17	8
TOTAL	186	320	435	505	586
CHILDREN SUPPORTED (THOUSANDS)	677	983	1,303	1,392	--

*AID TO FAMILIES WITH DEPENDENT CHILDREN.

**TOWARD AFDC PAYMENT; AFTER 1972, MAY POSSIBLY BE COMBINED WITH SOCIAL SERVICES CATEGORY.

SPECIAL ANALYSES: BUDGET OF THE U.S. GOVERNMENT, FY1974, P. 128, AND FY1975, P. 130

Federal government expenditure has tripled since 1971 for employment-related day care; the number of children supported has doubled to 1.4 million. (The number in Head Start has remained stable.) Of the 25.5 million children with mothers in the labor force in 1970, 5.6 million were under 6 years old; in 1973, there were 6 million under 6. What are the provisions for the balance of this group? A 1971 survey of eight New York City employers revealed as much as 18 percent of employees' children in organized group care, but no national data are available.[20]

Attitudes About Day Care

In some respects, poll data are useful to gain an understanding of American attitudes regarding non-relative child care. Regrettably, a lack of focus and consistency diminish data value.

In June 1972, 81 percent of respondents in a Gallup poll preferred the government "train [welfare] recipients, find them jobs, and where necessary, provide day care for their children," rather than maintain a [less costly] welfare program of cash payments." As also showed by Gallup in June 1972, 53 percent felt that "mothers with school-age children in families receiving welfare should be required to take any job offered them"; 36 percent felt they should turn down jobs and retain welfare payments; 11 percent had no opinion.

The Roper Organization used the following statement in 1971: "A lot has been said about the rights of women--in fact, there is a movement called 'women's liberation,' as you probably know. I'm going to read you several different statements, and for each one, I'd like to know whether you agree or disagree. There should be free, or low cost, child care centers for women with children who work..." Approximately 68 percent of women emerged in favor and 60 percent of men.

In September 1970 a Harris poll showed approximately 63 percent of women and 50 percent of men in favor of day care in response to a question more directly addressed to the issue of leaving children in non-relative care, without regard to any other variable: "Do you favor or oppose the idea of setting up more day care centers where mothers could leave their children during the day?"

According to a Gallup poll, in July 1969 approximately 69 percent of women and 59 percent of men responded positively to the question, "Day care centers for very young children are being set up so that mothers living in poor areas can take jobs and so that children can get early educational training. How do you feel about this--would you favor or oppose having the federal government provide funds to set up these centers in most communities?"[21] This was soon after the issuance of the preliminary report on Head Start for the Office of Economic

Opportunity. Controversy ensued, but generally the public still viewed Head Start programs favorably, as they did the concept of early intervention, also controversial at this time.

Results of a survey based on a national probability sample of women who were ever married under age 45 found 62 percent in favor of day care centers when specifically organized as a job-related service. Only 44 percent of non-black agreement, compared to 80 percent of black women, who clearly have greater financial reasons to enter the labor force.

TABLE 4

SEX-ROLE ATTITUDES OF EVER MARRIED WOMEN UNDER 45 YEARS OLD, 1970

AGREE (%)			SEX-ROLE ITEM
BLACK	NON-BLACK	TOTAL	
77	76	77	It is much better for everyone involved if the man is the achiever outside the home and the woman takes care of home and family.
55	49	52	A woman should not let bearing and rearing children stand in the way of a career if she wants it.
71	52	62	Men should share the work around the house with women such as doing dishes, cleaning, and so forth.
97	95	96	Men and women should be paid the same money if they do the same work.
75	72	74	On the job, men should not refuse to work under women.
69	65	67	A woman should have exactly the same job opportunities as a man.
61	56	59	Women should be considered as seriously as men for jobs as executives or politicians or even president.

(CONT'D)

SEX-ROLE ATTITUDES OF EVER MARRIED WOMEN UNDER 45 YEARS OLD, 1970 (CONT'D)

AGREE (%)			SEX-ROLE ITEM
BLACK	NON-BLACK	TOTAL	
80	44	62	There should be free child-care centers so that women could take jobs.
80	59	70	A woman's job should be kept for her when she is having a baby.
56	45	51	If anything happened to one of the children while the mother was working, she could never forgive herself.
53	46	50	A working mother can establish just as warm and secure a relationship with her children as a mother who does not work.
59	71	65	A preschool child is likely to suffer is his mother works.
51	40	46	Women are much happier if they stay at home and take care of their children.
38	29	34	A man can make long-range plans for his life, but a woman has to take things as they come.
31	14	23	Sex seems to exist mainly for the man's pleasure.
41	52	47	Many of those in women's rights organizations today seem to be unhappy misfits.
49	49	49	Young girls are entitled to as much independence as young boys.

KAREN D. MASON AND LARRY L. BUMPASS, "U.S. WOMEN'S SEX-ROLE IDEOLOGY," AMERICAN JOURNAL OF SOCIOLOGY, V. 80, NO. 5, MARCH 1975, P. 124. (BASED ON NORMAN B. RYDER AND CHARLES F. WESTOFF, NATIONAL FERTILITY STUDY)

A majority of both groups, black 59 percent, non-black 71 percent, felt that young children would be likely to suffer if mothers worked. Fifth-three percent of black women and 46 percent of non-black felt that the emotional quality of the mother-child relationship involving maternal employment could be as solid as in a relationship where the mother was not employed. The wording of this item, i.e., choice of verb tense, has a negative bias in the presumption that rapport did not exist previously or that it needs to be re-established, implying disruption. The negative connotation may have influenced response, and is an example of the care with which poll questions must be formulated.

Despite concern for children, regarding all statements about opportunity for men and women on the job, a majority felt women should be equally recognized. Perhaps the outstanding finding is that by any one variable, as this analysis demonstrated, no responses could be categorically coded as traditionalist or egalitarian. The response about women's rights organizations, then in more embryonic days, is interesting: 52 percent of non-blacks and 41 percent of blacks agreed that many women in such groups seemed to be "unhappy misfits." Admittedly, these data are not current, but the indication that women may be less uniformly aligned is enlightening (especially in view of poll data shown later) and not generally acknowledged today. As might have been anticipated, the authors' analysis suggests that group level phenomena rather than purely demographic data are most strongly related to attitudes.

These poll data broadly indicate that the public favors the concept of day care and will continue to do so. Unfortunately, since no questions have been continually polled or consistently worded regarding concern for quality and impact of non-relative care on children, a reliable analysis of attitude about these issues is precluded. Prevailing interests at the time of polling--women's liberation and early intervention, for example--even welfare, while valid, sidetrack possible insights about non-relative care, whether or not federally funded. If the increase in mothers with pre-school children seeking employment continues, more specific attitudinal data could prove valuable.

Given the continued public approval under varying conditions of some form of day care, the rising proportion and number of pre-school children and mothers involved, the rapid increase in federal expenditure, and perennial parental concern, more research needs to be accomplished. A scrutiny of both criteria for granting federal monies supporting day care and administration of those monies to assure availability of quality care to those who need it seems warranted. Types of day care range widely between and within states as well as communities, as do licensing requirements, if any. There is a paucity of information about child care provision and its impact in any cohesive form. As stated earlier, no current national figures are available.

Existing Data on Child Care Provision

According to a table compiled by Brookings Institution,[22] the proportion of children in day care centers doubled between 1965 and 1970, but accounted for only 10 percent of children under six. Included in the day care category were small owner-operated proprietary facilities and agency-operated group day care homes, and large proprietary facilities. Also included were community agency centers, public or voluntary, and Head Start groups.[23] Even though this table uses data from three surveys[24] which are not strictly comparable, it provides a gauge for evaluating changes in child care arrangements.

Among children under six in 1970 (approximately 19.6 million), 5.6 million had mothers in the labor force.[25] Fifty percent were cared for in their own homes, 7 percent by non-relatives, a decrease from 15 percent own-home non-relative care in 1965. Total own-home care increased 2 percent (4.3 percent were cared for by father and 1.4 percent by other relative). Five percent fewer mothers worked during these children's school hours (although, as stated previously, more worked [see table 1]). Care in other than child's home increased from 31 to 35 percent, with non-relative care increasing more than relative care, 3.2 percent as opposed to .5. Use of day care centers, as described in the preceding categories, increased by 5 percent and doubled in proportion.

The most pronounced and easily anticipated change was in the care of 6- to 14-year-olds: the proportion of those with mothers working during school hours doubled. There was a 13 percent increase in own-home care, with decreases in all sub-categories (care by father, other relative and non-relative), apparently due to increased school-hour employment, and an approximate 3 percent increase in care in other than own home, excluding day care. The proportion of older children in day care centers remained stable. Children with no special care decreased from 24.3 to 8.3 percent.

Trends in Full- and Part-Time Employment

Work Experience of the Population

The decrease in children with no special care in combination with the rise in proportion of children with mothers who worked during school hours may support recent data which could indicate that more mothers with school-age children are likely to be working part time.

> Almost 21 million persons worked part time during 1973, and part-time workers made up about 40 percent of the increase in the number with work experience. Part-time employment accounted...for 40 percent of the rise among women age 20 and over. [Teenagers and women 20 and over] provided 81 percent of the 1.4 million increase in the number with work experience.
>
> ...the proportion of women with work experience reached a new high in 1973, largely due to the increase in part-time workers. Over 70 percent of the increase in part-time work experience of women age 20 and over was among married women; from 1969 through 1972, married women provided only 63 percent of this increase.[26]

As previously mentioned, the greatest proportionate increase for women with work experience in 1973 was in the 25- to 34-year-old group, where a majority is likely to be or have been married and to have had children, many probably school age. The following table shows changes in part-time work experience due largely to the influence of married women over 20 years old and in full-time experience.

TABLE 5

WORK EXPERIENCE OF WOMEN 16 YEARS OLD AND OVER

	PERCENT DISTRIBUTION			NUMBER (THOUSANDS)		
	1971	1972	1973	1971	1972	1973
TOTAL WHO WORKED DURING YEAR	100.0	100.0	100.0	39,014	39,918	41,833
FULL TIME*	68.1	69.2	68.1	26,560	27,604	28,473
50-52 WEEKS	41.8	42.5	41.9	16,311	16,981	17,517
27-49 WEEKS	12.1	12.1	12.2	4,729	4,839	5,101
1-26 WEEKS	14.2	14.5	14.0	5,520	5,784	5,855
PART TIME**	31.9	30.8	31.9	12,454	12,314	13,360
50-52 WEEKS	11.0	10.3	10.7	4,274	4,131	4,460
27-49 WEEKS	7.3	7.0	7.6	2,864	2,780	3,169
1-26 WEEKS	13.6	13.5	13.7	5,316	5,403	5,731

*USUALLY WORKED 35 HOURS OR MORE PER WEEK.

**ONE TO 34 HOURS OF WORK PER WEEK.

ANNE M. YOUNG, "WORK EXPERIENCE OF THE POPULATION, 1973," MONTHLY LABOR REVIEW, V. 97, NO. 12, DECEMBER 1974, P. 60

Work Experience of Female Family Heads

The distribution for female heads with work experience, 1972, is noticeably different from that of all women with experience. Eighty percent, or 11 percent of women with experience that year, worked full time (as defined in table 6). A greater proportion, 61 percent, worked

50 or more weeks, full or part time, than did all experienced women, 53 percent. A smaller proportion of female heads, 21 percent, worked 1 to 26 weeks than did all women, 28 percent.[27]

Between 1970 and 1973, percent base-year increases for selected occupational categories of female heads were: professional, technical, and kindred workers, 5.6; managers and administrators (excluding farm), 16.5; sales workers, -10.1; craftsmen and kindred workers, -44.0, and service and private household workers, 26.7. The occupational distribution of female heads, however, shows a slight decrease in professional, technical and kindred workers (1 percent), and a 1 percent decrease in clerical workers. The most significant changes were the decrease in proportion of skilled workers, from 3.1 to 1.6 percent, and the increase in proportion of service workers, from 25.4 to 28.7 percent.[28]

Changes in the distribution for female heads contrast significantly to trends evidenced by occupational distribution for all women--a trend toward white collar work, including clerical, sales, professional and technical, managers and administrators, and clearly away from service, and a basically stable proportion of skilled workers.[29] Despite the relatively small numbers involved, the occupational distribution for female heads could have a somewhat negative effect on wage level of the total female force, contributing to the male-female wage differential. Full-time work is available in service industries in shifts, which may help to explain the high proportion of female heads who worked full time in 1972, the most current year for which I have data, and who may well be continuing to do so. Shift work may be preferred by unattached mothers, especially those with younger children.

Deferred Child Birth

A possible development which could affect wage differential is the departure of women from the force who may have delayed child-bearing. A recent study[30] notes that while the proportion of women in one bracket of child-bearing age, 15 to 24, increased considerably after 1960, the fertility rate continued to decline rapidly in the late sixties and early seventies, which is partly attributed to a decreasing marriage rate. The percent of never married women rose from 28.4 in 1965 to 38.3 in 1973.

This study demonstrated a tendency for women to defer child-bearing but not to disfavor it. The proportion of those first married bearing children within 18 months of marriage decreased for first marriages between 1965 and 1969 to 52.1, from those first married between 1955 and 1959 at 60.3 percent (p. 694). One third of ever married women under age 30 were childless, compared to one quarter in 1970 and one fifth in 1960.[31] The authors note Current Population Survey data[32] which show that in 1974 54 percent of married women expected to have two children, and 30 percent, three or more. For childless married women in this age group, over 75 percent expected to have two or more children.

If the authors' suggestion of a possible delayed baby boom proves true, we can anticipate the influence on participation rate and wages of women in the labor force. For example, in 1973, childless married women comprised approximately 27 percent of the female force and had a participation rate of 42.8 percent (see table 1). A reduction in participation of this group may lower the level of work experience of the female force, depending upon age distribution. It seems possible that a percentage of childless married women in the labor force would be more likely to be better educated and represented in the professional occupations;

some may have seniority in other jobs as well. The possible resulting reduction in work experience and educational attainment, due to the delayed baby boom, may be a factor in increasing the male-female wage differential. A new demand may arise and the upward trend in maternal employment may evidence a sharp increase.

The average age of most mothers seeing their youngest child off to school may rise considerably over 32 years old, the average for the majority of mothers in 1973,[33] a development which could conceivably increase financial demands on parents later in life than was previously true, or if the wife remains home, on the father in his later years. Whether these mothers would return to work is another consideration.

Women's Priorities and Socioeconomic Advancement

A look at recent poll data may provide some insight into the relative significance of women's apparent concern for equal socioeconomic status and active interest in employment. Many studies revealed (see, for example, Hoffman and Nye's evaluative survey) that women's primary reason for seeking employment was financial need. A discussion of motivations differentiating those who seek work from those who do not is beyond the scope of this paper. However it is assumed that even where financial need may be articulated as a primary motivation, other more personal motivations may well be present, even if amorphous and/or not discovered until a job is secured.

Gallup polls have shown that "the high cost of living" has become a chronic concern. In October 1974, inflation was ranked by 81 percent of the public as the "most important problem facing this country today."[34] By January 1975, the public was undecided about whether unemployment or inflation merited more government attention, 46 percent favoring priority for inflation and 44 percent, reducing unemployment. Forty-two percent of women wanted inflation controlled, and 42 percent, unemployment; 9 percent had no opinion.[35] In March 1975, 62 percent of women considered the cost of living to be "the most important problem", and 18 percent, unemployment.[36] From any perspective, the public is clearly concerned about the economy. It seems reasonable to assume that financial need currently plays a fundamental role in the decision to seek work for some proportion of women and that personal satisfaction is sometimes a by-product.[37]

The Virginia Slims American Women's Poll, volume III, a study conducted by the Roper Organization, affirms women's new spirit (see the Appendix for selected data). Yet the same data may indicate that many issues cited by activist organizations as vital are generally less meaningful to the majority of women. Though concerned with making certain changes, women seem to want, naturally enough, to continue to enjoy their femininity. This does not obviate the need change but may enhance its profundity. No doubt, discrimination exists, and the women's liberation movement seems to be a catalyst in remedying some problems. On the other hand, issues needing resolution can become obscured by the expansively provocative statements which seem to be characteristic of publicity surrounding this movement.

Until 1973, when the International Ladies Garment Workers Union went on record as favoring passage of the Equal Rights Amendment, it had remained passive on the issue, as did other predominantly female unions, such as the Amalgamated Clothing Workers. One explanation seems quite feasible: benefits which union women struggled to attain could be largely negated with the passage of the ERA. Even before activist interest in the ERA, unions found themselves in violation of existing legislation and frequently charged with employers as being discriminatory, in which instances they chose to support their employer's position.[38] The state protective statutes, upon which they relied and which were enacted to safeguard women and children, have been claimed to be in violation of Title VII of the Civil Rights Act (1964), enforced by the Equal Opportunity Commission, on the grounds of sexist discrimination. The I.L.G.W.U. decision to join the activist movement and lobby for ERA passage may have been made to ensure the continuation of benefits through a presently viable means.

As poll data indicate (see the Appendix), men's and women's thinking is in a transitional period regarding social and economic matters, and many may not fully comprehend the import of the ERA. The most recent Gallup poll[39] shows a greater majority of men, 63 percent, in favor of passage than women, 54 percent (21 percent of women had no opinion). In the same poll (p. 22), 35 percent of women agreed that men "have a better life in this nation" than women, but 31 percent felt they rank equally, and 26 percent felt that women have a better life. Male responses were 30, 31 and 30 percent, respectively. National responses showed a 3 percent increase for those believing men have a better life, from 29 percent in 1972, and a 7 percent decrease for those favoring women, from 35 percent, significant, but in view of the widespread media acclaim for the women's liberation movement, not dramatic.

FOOTNOTES

1. Lois Wladis Hoffman and F. Ivan Nye, Working Mothers: An Evaluative Review of the Consequences for Wife, Husband and Child (San Francisco, Washington: Jossey-Bass, 1974), p. 3.

2. Elizabeth Waldman and Robert Whitmore, "Children of Working Mothers, March 1973," Monthly Labor Review, v. 97, no. 5, May 1974, p. 52.

3. Ibid.

4. Hoffman and Nye, pp. 13-14.

5. Statistical Abstract of the United States: 1974, p. 51, preliminary figure.

6. Anne M. Young, "Work Experience of the Population, 1973," Monthly Labor Review, v. 97, no. 12, p. 51, table 2.

7. Current Population Reports, P. 23, No. 50, July 1974, Female Family Heads," pp. 12-14.

8. Waldman and Whitmore, p. 55, table 5.

9. Current Population Reports, P. 23, No. 50, pp. 12-14.

10. Waldman and Whitmore, p. 53, table 2.

11. Ibid., p. 52, table 1.

12. Current Population Reports, P. 23, No. 50, p. 15.

13. Waldman and Whitmore, p. 55, table 5.

14. Current Population Reports, P. 23, No. 50, p 20, table 11.

15. Waldman and Whitmore, p. 55, table 5.

16. Statistical Abstract, p. 383, table 618.

17. Hoffman and Nye, p. 43.

18. Ibid., p. 68.

19. Joann Varek, "Time Spent in Housework," Scientific American, November 1974, pp. 116-120.

20. Waldman and Whitmore, p. 57.

FOOTNOTES (CONTINUED)

21. Poll data cited appear in Doris Yokelson, ed., Collected Papers on Poverty Issues, V. III: Public Attitudes Toward Poverty and the Characteristics of the Poor and Near Poor, HI-2277-RR, June 1975, pp. III-115-III-117.

22. Hoffman and Nye, p. 104.

23. Ibid., p. 105.

24. Lajewski, 1959; Low and Spindler, 1968; Westinghouse and Westat Corporation (Johns and Gould, 1971).

25. Waldman and Whitmore, p. 53, table 2.

26. Young, pp. 49-50.

27. Based on data derived from Current Population Reports, P-23, No. 50, p. 21, table 13.

28. Current Population Reports, P-23, No. 50, p. 23, table 15.

29. Statistical Abstract of the United States: 1974, p. 350, table 568.

30. June Sklar and Beth Berkov, "The American Birth Rate: Evidence of a Coming Rise," Science, August 29, 1975. The study focuses on California but uses a national sample for contrast.

31. Ibid., p. 695.

32. Current Population Reports, P-20, No. 377, February 1975.

33. Hoffman and Nye, p. 9 (Leslie, 1973, p. 263).

34. Yokelson, p. III-58.

35. Gallup poll, January 10-15, 1975.

36. Gallup Opinion Index, April 1975, p. 2.

37. The General Mills American Family Report, 1974-75: A Study of the American Family and Money, by Yankelovich et al., analyzes more facets of the current situation in depth. The study does not include data for the reader's own interpretation.

38. Edna Raphael, "Working Women and Their Membership in Labor Unions," Monthly Labor Review, v. 97, no. 5, May 1974, p. 32.

39. April 1975, p. 21.

EXTENT TO WHICH WOMEN HAVE CERTAIN FEELINGS

(Responses of women only)

	Total Women	Single	Married	Divorced/ Separated	Widowed	18 to 29	30 to 39	40 to 49	50 and Over	8th Grade	High School	College
	%	%	%	%	%	%	%	%	%	%	%	%
It takes as much intelligence and drive for a woman to bring up children properly as it takes to hold a good position in business or government												
Strongly	78	62	80	77	77	75	80	79	78	71	79	80
To a certain extent	14	21	13	17	14	16	13	13	14	15	15	13
Don't feel that way	4	7	4	2	5	5	5	5	4	6	4	4
Not sure	3	10	2	3	4	4	2	3	4	7	2	3
Having a loving husband who is able to take care of me is much more important to me than making it on my own												
Strongly	64	25	69	49	72	52	60	69	73	73	68	51
To a certain extent	19	23	20	19	15	25	23	18	15	15	19	24
Don't feel that way	13	38	9	26	9	20	14	10	8	7	11	21
Not sure	3	14	2	7	4	3	3	3	4	5	3	4
To get ahead in this world, a woman has to be much better at what she does than a man												
Strongly	43	41	42	57	43	44	47	40	42	35	43	49
To a certain extent	26	31	27	19	22	30	24	26	24	22	26	27
Don't feel that way	27	22	28	19	25	23	26	30	27	32	27	22
Not sure	4	6	4	5	9	3	3	4	6	11	4	2

(continued)

SOURCE: VIRGINIA SLIMS AMERICAN WOMEN'S POLL, V. III, BY THE ROPER ORGANIZATION, P. 9

EXTENT TO WHICH WOMEN HAVE CERTAIN FEELINGS (continued)

	Total Women	Single	Married	Divorced/ Separated	Wid-owed	18 to 29	30 to 39	40 to 49	50 and Over	8th Grade	High School	Col-lege
	%	%	%	%	%	%	%	%	%	%	%	%
Things will be much better for girls growing up today than they were for girls in my time												
Strongly	39	38	39	46	37	40	40	37	40	36	41	38
To a certain extent	28	28	29	26	24	31	28	29	26	26	29	28
Don't feel that way	26	21	26	22	30	24	27	28	27	26	25	28
Not sure	6	12	5	7	9	5	6	6	7	12	5	5
If I had been born a man, I would have gotten a lot further in this world												
Strongly	14	16	13	24	13	17	13	13	12	11	15	13
To a certain extent	19	24	19	25	16	26	21	18	15	15	21	19
Don't feel that way	63	53	65	46	63	55	63	64	68	66	61	65
Not sure	4	7	3	5	8	3	3	4	5	8	4	2
Being a woman has prevented me from doing some of the things I wanted to do in life												
Strongly	11	13	9	22	14	14	14	10	9	11	11	11
To a certain extent	13	21	12	17	10	17	12	13	11	11	13	13
Don't feel that way	73	60	76	56	71	66	73	73	77	71	73	74
Not sure	3	5	2	6	5	3	2	3	3	6	2	1
My education is being wasted, since I never get to use what I learned in school in my everyday life												
Strongly	7	6	7	12	3	13	6	6	4	5	7	7
To a certain extent	10	16	10	10	9	16	10	9	8	8	11	11
Don't feel that way	80	74	81	73	83	69	84	83	85	80	80	81
Not sure	2	4	2	4	5	2	1	2	3	7	2	1

SOURCE: VIRGINIA SLIMS AMERICAN WOMEN'S POLL, V. III, BY THE ROPER ORGANIZATION, P. 10

	Women Prefer			Men Prefer		
	Ms.	Miss and Mrs.	Don't Know	Ms.	Miss and Mrs.	Don't Know
	%	%	%	%	%	%
Total	14	81	5	13	72	15
Single	29	63	8	17	67	16
Married	11	84	5	12	73	15
Divorced/Separated	33	60	7	15	67	19
Widowed	7	86	6	– [1]	76	24
18 to 29	25	69	6	17	68	15
30 to 39	13	81	6	15	62	23
40 to 49	9	85	5	8	76	16
50 and over	8	87	5	9	78	12
8th Grade	8	87	5	8	81	11
High School	13	82	5	10	74	17
College	20	73	7	19	65	16

1/ Note all tables: – denotes no response

SOURCE: VIRGINIA SLIMS AMERICAN WOMEN'S POLL, V. III, BY THE ROPER ORGANIZATION, P. 14

PERSONAL SATISFACTION WITH OWN LIFE TODAY

THOSE WHO ARE "VERY SATISFIED"

	1974		1972	
	Women %	Men %	Women %	Men %
Total	57	57	58	49
Single	45	51	47	37
Married	62	59	61	52
Divorced/Separated	31	39	30	30
Widowed	47	52	51	59
18 to 29	53	52	55	44
30 to 39	58	50	61	47
40 to 49	58	59	61	47
50 and over	59	63	58	54
Under $5,000	44	57	47	44
$5,000 to $9,999	52	53	58	48
$10,000 to $14,999	61	60	66	52
$15,000 and over	64	57	66	58
8th Grade	53	61	51	48
High School	55	56	60	47
College	63	56	60	53

VIRGINIA SLIMS AMERICAN WOMEN'S POLL, V. III, BY THE ROPER ORGANIZATION, P. 15

WHAT WOULD BE THE MOST SATISFYING AND INTERESTING WAY OF LIFE

	Women					Men				
	Total Women %	18 to 29 %	30 to 39 %	40 to 49 %	50 and Over %	Total Men %	18 to 29 %	30 to 39 %	40 to 49 %	50 and Over %
A traditional marriage with the husband assuming the responsibility for providing for the family and the wife running the house and taking care of the children	50	33	46	54	61	48	35	41	54	60
A marriage where husband and wife share responsibilities more—both work, both share homemaking and child responsibilities	46	61	50	41	35	44	51	51	41	37
Living with someone of the opposite sex, but not marrying	1	2	1	2	*	3	8	3	1	*
Remaining single and living alone	1	1	2	2	1	1	2	1	1	1
Remaining single and living with others of the same sex	*	*	*	–	*	*	–	–	*	*
Living in a big family of people with similar interests, in which some of the people are married and some are not	1	1	1	*	1	1	3	3	–	*
None, don't know	2	2	*	1	2	2	2	1	2	1

SOURCE: VIRGINIA SLIMS AMERICAN WOMEN'S POLL, V. III, BY THE ROPER ORGANIZATION, P. 31

	Women Say:		Men Say:	
	Traditional Marriage	Sharing Marriage	Traditional Marriage	Sharing Marriage
	%	%	%	%
Total	**50**	**46**	**48**	**44**
8th Grade	63	31	61	34
High School	50	46	50	43
College	39	55	38	52
East	48	47	53	38
Midwest	48	47	50	44
South	55	40	49	44
West	44	52	37	54

SOURCE: VIRGINIA SLIMS AMERICAN WOMEN'S POLL, V. III, BY THE ROPER ORGANIZATION, P. 32

WHICH COMBINATION OF MARRIAGE, CHILDREN AND CAREER WOULD OFFER THE MOST SATISFYING AND INTERESTING LIFE

	Combining Marriage Career and Children	Marrying, having Children but not having Career	Having Career and Marrying but not having Children	Having Career but not Marrying or having Children	Marrying but not having Children or Career	Don't Know
	%	%	%	%	%	%
Total women	**52**	**38**	**4**	**2**	**1**	**3**
18 to 29	61	28	6	2	*	2
30 to 39	56	34	4	3	1	2
40 to 49	49	41	3	3	1	3
50 and over	44	46	2	1	1	5
8th Grade	37	51	2	1	2	7
High School	50	40	3	2	1	3
College	65	24	6	2	1	2

SOURCE: VIRGINIA SLIMS AMERICAN WOMEN'S POLL, V. III, BY THE ROPER ORGANIZATION, P. 33

EFFECTS OF THE NEW MORALITY

	Women say:			Men say:		
	Agree %	Disagree %	Don't Know %	Agree %	Disagree %	Don't Know %
It will make for better, more successful marriages	17	72	11	21	68	10
People will make better choices of marriage partners	28	58	14	33	55	13
Couples will have more honest relationships with each other	34	52	14	39	48	13
More people will decide to live together without marrying	73	19	8	73	19	8
More people will decide to stay single	54	33	13	53	35	11
The institution of marriage will be weakened	64	28	9	61	31	8
The country's morals will break down	56	33	11	49	41	10

SOURCE: VIRGINIA SLIMS AMERICAN WOMEN'S POLL, V. III, BY THE ROPER ORGANIZATION. P. 96

OVERALL, IS SOCIETY'S MORE WIDESPREAD ACCEPTANCE OF SEXUAL FREEDOM BEFORE MARRIAGE A CHANGE FOR THE BETTER, OR FOR THE WORSE, OR ARE THERE MIXED FEELINGS ABOUT IT

	Women say:				Men say:			
	A Change For The Better	A Change For The Worse	Have Mixed Feelings About It	Don't Know	A Change For The Better	A Change For The Worse	Have Mixed Feelings About It	Don't Know
	%	%	%	%	%	%	%	%
Total	11	45	38	5	19	39	37	5
Single	29	27	41	3	38	17	42	3
Married	10	47	39	4	14	45	36	5
Divorced/ Separated	19	29	47	4	39	24	33	4
18 to 29	23	26	49	2	34	18	45	3
30 to 39	13	41	42	4	22	33	40	5
40 to 49	7	50	40	3	11	43	37	8
50 and over	5	59	29	7	9	56	30	5
8th Grade	6	58	25	11	5	59	26	10
High School	10	45	41	4	18	35	42	5
College	20	37	41	2	28	32	37	2
East	13	37	45	5	23	32	40	5
Midwest	9	48	40	4	18	40	37	5
South	8	54	32	6	16	46	34	5
West	19	39	38	3	23	33	40	5

SOURCE: VIRGINIA SLIMS AMERICAN WOMEN'S POLL, V. III, BY THE ROPER ORGANIZATION, P. 99

ATTITUDES TOWARDS SEXUAL STANDARDS AND BEHAVIOR

	Women say:			Men say:		
	Agree	Disagree	Not Sure	Agree	Disagree	Not Sure
	%	%	%	%	%	%
A double moral standard has existed for many years — one standard for women, another for men	75	16	10	74	18	8
Single women should not enjoy the same kind of freedom as single men	15	74	11	14	77	9
Pre-marital sex is immoral	53	36	11	44	46	10
A couple who are having a child out of wedlock should marry for the sake of the child even though they don't want to	15	73	12	22	67	11
It should be legal for adults to have children without getting married	24	63	13	28	60	13
There is no reason why single men or women shouldn't adopt children and raise them alone if they want to	53	37	10	49	40	11
There is no reason why single women shouldn't have children and raise them if they want to	31	58	10	35	55	11
Laws making abortions legal should be repealed	36	50	14	31	55	13
Where abortions are legal, the decision about an abortion should be left up to the woman and her doctor	74	15	12	70	17	13

SOURCE: VIRGINIA SLIMS AMERICAN WOMEN'S POLL, V. III, BY THE ROPER ORGANIZATION, P 101